

The China Weekly **REVIEW**

報論評氏勒密

A Weekly Newspaper Established in 1917



Manchukuo Government Restricted; Economics Merged With Japan

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in Japan's Five Year Plan

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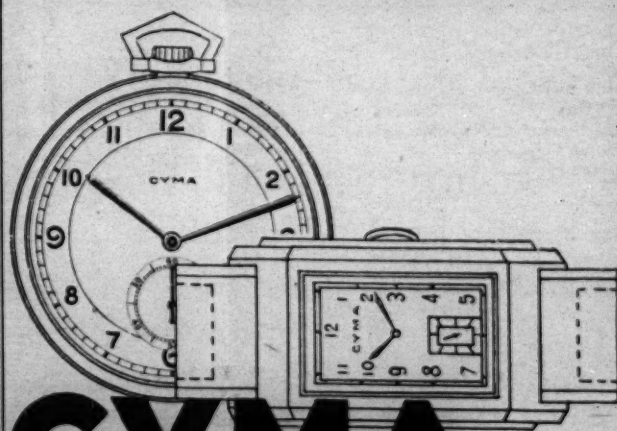
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BAMBOO STOOLS AND LACQUERED CIGARETTE CASES FOR U.S.A.

SEVERAL months ago a buyer for a Chicago department store who makes regular trips to China, was attracted by a small stool or primitive chair made of bamboo which Chinese women of the servant classes, particularly amahs and seamstresses, sit upon when doing their work. He investigated and found the small chairs could be purchased in wholesale lots for ten or fifteen cents apiece. We are not familiar with the details but it was reported that the Chicago store bought several thousands of them, staged a sale and was successful in disposing of the lot at a considerable profit.

Although these articles of furniture are common to every Chinese household and the servants quarters of foreign homes in the port cities it had never occurred to anyone that they could be sold abroad, that is, not until the Chicago buyer happened to see one.

But all transactions in Chinese handiwork do not turn out so happily. A buyer for one of the big American chain stores was attracted by a cigarette case made of lacquered silk which was included in an exhibit of a Foochow lacquer concern. The buyer was so favorably impressed by the article that he immediately placed an order for 10,000 and stated his intention of ordering even larger quantities in future. But the agent of the Foochow company was flabbergasted at such a large order because he knew of no way of turning out such large numbers of an article which, for centuries had been made by hand by a comparatively small number of artisans. He was unable to accept the order.

Julean Arnold, American Commercial Attache, referred to the foregoing in the course of a more extended discussion pertaining to China's foreign trade which was published in the May issue of the Economic Journal (Shanghai). Mr. Arnold pointed out that China possesses almost unlimited opportunities for expanding her foreign trade through the standardization and exploita-

tion of her handicraft industries. He cited the further example of the development of cross-stitch needle work and embroideries which last year brought to China U. S. \$5,000,000 worth of orders. Practically all of this work was done by Chinese women in their homes and represented a type of art-industry unequalled elsewhere.

There is now being held in Nanking an exhibition of native handicraft, first display of the kind to be staged in the Capital, which has aroused universal interest and commendation. Hundreds of articles from the most primitive farming and household tools to more complicated objects requiring a high degree of skill in the manufacture were shown to an interested and often astonished audience.

The exhibition proved that China is already an industrialized nation from the standpoint of

native handicraft work. If these industries could be organized and standardized in such manner that mass production could be achieved at uniform price levels it would result in prosperity for millions of Chinese workers.

While China must develop her large industries, particularly heavy industries, involving purchases of costly machinery, attention should not be diverted from the opportunities which exist in the exploitation of native handicraft work in which the people are already skilled to such an extent that no one can compete with them. There is much talk of restricting imports through tax levies in order to bring about a balanced foreign trade. A campaign to organize and exploit native handicraft work for export purposes probably would achieve greater results.

Manchukuo to Be Reorganized, Economic Structure Merged in Japan's Five Year Plan

This article, written by an editorial correspondent, is the sixth dealing with the situation in North China which has appeared in these columns since May 22. A final article, summarizing the situation in the North and referring also to recent developments at Nanking, will appear shortly.

THE authorities of the Japanese Kwantung Army at Hsinking (Changchun) announced the complete reorganization of the administration of the Manchukuo Government to become effective on July 1. The original report issued at Hsinking on May 9, although unpublished in the Chinese papers here received major space in the newspapers of Japan and Manchukuo.

Of outstanding significance was the announcement of the resignations of three state executives, Chang Yen-ching, Foreign Minister; Ting Chien-hsin, Minister of Industry; and Feng Han-ching, Minister of Justice. According to the report in the *Manchuria Daily News* (Dairen) on May 8 the resignations of these three puppet officials were called for in order to "make way for younger officers." Another important change was the transfer of the Ministry of Mongolian Administration headed by Chi-mo-te-se-mu-pi-li to the Privy Council.

These transfers followed the decision to abolish five important departments of the Government—the Ministry of Foreign Affairs, Mongolian Administration, Defense, Education and the Supervisory Council. Two important departments, Foreign Affairs and Mongolian Administration, were converted into bureaus of the Board of General Affairs directly under the Premier; hence the puppet state of Manchukuo now has no Foreign Minister. It amounts to Japan's admission that recognition of the puppet state by other foreign governments is hopeless; hence the pretense of maintaining a Ministry of Foreign Affairs has been given up.

A somewhat similar situation apparently prevails with respect to the Department of Mongolian Affairs, which is to be converted into a so-called "Hsingan Bureau." When the Manchukuo Government was organized the Japanese announced the creation of a separate "autonomous" Mongolian state to embrace the western or Barga district of Heilungkiang province which was predominantly Mongolian in population. The area was re-named "Hsingan" from the mountain chain across Heilungkiang province. The Japanese intention was to create a separate puppet Mongolian state to embrace all territories to the west of Manchukuo proper, the hope being to attract the Mongols of Outer-Mongolia (under Soviet control) to the Japanese banner. But trouble developed at Hailar, capital of Hsingan, several months ago resulting in wholesale executions of Mongol officials by the Japanese military on the ground the Mongols were intriguing with the Russians.

The State Supervisory Council will be replaced by an enlarged auditing bureau directly under the supervision of the Prime Minister. The Department of Education, which was originally organized for the purpose of teaching the Chinese youths of Manchuria to love their Japanese masters has been transferred to a new department of "Public Life," in which the Department of Education will be merely a bureau.

Another innovation was the creation of a so-called "planning council" or brain trust, which will have charge of the formulation of important national policies. This council will have three

committees dealing with economics, advancement of public life and education.

The Prime Minister, Marshal Chang Ching-hui, declared that the entire administrative machinery will be "overhauled, simplified and strengthened" by bringing all departments under uniform control so as to facilitate the functioning of the state on an efficient basis. He said that it constituted the inauguration of the second stage in the life of the new state. The original administrative structure was organized for the purpose of liquidating the "feudalistic government of the former military clique" and perfecting as quickly as possible a new unified, independent, national structure. "With the assistance and direction given us by our friendly ally, the Japanese Empire, our new nation has been brought under unified control and national defense has been established on a secure basis. In the near future we shall witness the complete abolition of extraterritoriality and the transfer of administrative rights within the South Manchuria Railway Zone. We are on the threshold of a new era of 'qualitative construction.' The strained international situation, however, necessitates greater endeavor on our part to bring about a well-planned development and exploitation of industry and economics to promote the life of the people and replenish national defenses and national power in 'close co-operation with Japan' for the attainment of the ideals for which the Empire was founded. For the achievement of this great task the new Empire must correct its posture and attain full preparedness. The reorganization has its foundation in the basic ideals of establishing full harmony and co-operation among the races of the new nation and in propagating the idea of 'oneness in spirit and virtue' as between Japan and Manchukuo, in order that the new state may continue its sound development as a new empire. In addition to expediting the rapid restoration of peace involving collaboration between military and police establishments, it is also necessary to reform the economic exploitation of the land, particularly the execution of our Five Year Industrial Expansion Program."

Immediately following the announcement of the reorganization of the administrative machinery of Manchukuo came the declaration from Tokyo that a virtual merger of the Japanese and Manchukuo economic structures had been decided upon by the Tokyo Cabinet. Close collaboration will be maintained by the two governments in practically every phase of economic activity including industry, trade, finance and tariffs. The basic principles of cooperation will be adhered to in the formulation of plans for the production of gold, coal, iron and other minerals and substitutes for raw materials, such as oil cotton and wool. Joint plans will be made for making the two countries self-sufficient in raw cotton, wool, lumber, foodstuffs and staples. The program also includes so-called "training and rationalization" of skilled labor, including the utilization of surplus agricultural workers. There will be strict regulation of supply and demand for commodities, reforms in the compilation of budgets and readjustment of the taxation system, control of financial organs, control of investments, curtailment of consumption and balancing of international payments. In order to correct Japan's unbalanced exchange exports will be encouraged and imports, particularly

of luxury goods, rigidly restricted. There will be a further strengthening of exchange control and in order to make up for Japan's heavy exports of gold to the United States, the country is embarking on a feverish program of gold mining in Manchukuo, East Hopei Government and Inner Mongolia.

The new program constitutes a close imitation of developments in Germany and Italy, particularly Japan's new ally, Germany, which country has practically extended recognition to Manchukuo under the trade barter deal made two years ago and recently renewed. Shinji Yoshino, Minister of Commerce and Industry, declared in an interview on June 16 that there would be a close regimentation of labor along the lines which had been found advantageous in both Germany and Italy. The transfer of workers from one factory to another would be prohibited and a system of utilizing compulsory labor services, patterned after the military system would be adopted throughout Japan and Manchukuo.

The new plan extending over a period of five years, was originally announced to involve expenditures of Yen 2,350,000,000, which would be supplied by the following organizations: South Manchuria Railway Co., Yen 900,000,000; Manchukuo Government, Yen 600,000,000; Manchurian Industrial Bank, Yen 100,000,000; Japan and Manchukuo private industrialists Yen 650,000,000; other sources, Yen 100,000,000. However, an article in the *Yomiuri Shimbun* on June 16 stated that the funds regarded as necessary for carrying out a five year program involving phenomenal production increases in iron and steel, liquid fuels, coal, copper, electric power, aluminum, magnesium, nickel, pulp, soda, aircraft, automobiles, rolling stock and general munition products in Japan proper, Korea and other territories under Japan's control would necessitate the raising of a grand total of funds amounting to more than Yen 9,350,000,000. Of this huge capital Japan proper and Korea would require Yen 6,900,000,000. The authorities of the Finance Ministry immediately announced opposition to the program on the ground that it would absorb so much capital that it would aggravate Japan's international payments. It was argued that the carrying out of such a program would require the importation of an enormous amount of high priced machinery and other materials, for which Japan would be required to pay cash, involving a further unbalancing of the country's exchange.

In this connection it was stated that Japan's investments in Manchukuo since the Manchurian incident, September 18, 1931, have now reached a total of about Yen 800,000,000 in addition to

approximately Yen 1,000,000,000, which has been paid out by the Japanese Government for military activities, making a total of Yen 1,800,000,000 already sunk in the puppet state. The Manchurian Information Society, a Japanese organization at Hsinking, recently published a report claiming that Japanese investments in Manchukuo since the occupation six years ago amount to Yen 2,928,716,000. It was stated further that counting investments prior to the occupation, the grand aggregate of Japanese investments amounts to Yen 4,467,528,000. A further report published by the American Council of the Institute of Pacific Relations, edited by Dr. Elizabeth Boody, claimed that the Japanese invested Yen 340,000,000 in Manchukuo last year alone and the allegation was made that Japan's heavy outlays in Manchukuo were a major cause of the present financial stringency in the Island Empire.

That Japan's program in Manchukuo has a direct connection with her plans for "economic cooperation" in the northern Chinese provinces is obvious. The "reorganization" of the Manchukuo Government, referred to in the foregoing, indicates the rapid metamorphosis of the puppet state into a colonial administration, first through amalgamation of economic resources with Korea and Japan proper, to be followed at the propitious

time with a political amalgamation possibly along the lines followed with respect to Korea. While it is difficult to obtain exact information regarding the present condition of the 30,000,000 Chinese peasants in Manchuria, the frequent reports of "bandit" uprisings tell an eloquent story of struggle against oppression. Now, the Manchurian peasantry is to be "regimented" on the German and Italian models. This means that if Osaka cotton mills require more raw cotton, Manchurian farmers must raise it despite adverse climatic conditions. It means that millions of Chinese peasants have been converted into automatons and appendages of Japanese industries.

When the Japanese warlords and industrialists speak of "Sino-Japanese economic cooperation" in North China they have in mind the "Manchurianization" of these northern Chinese regions. In actual practice much of the development now taking place in the so-called East Hopei Zone, where the Japanese have had a free hand for more than a year, is being financed by the Manchukuo Government. It also is common knowledge that the leading Japanese organizations at Tientsin which are promoting "cooperation" are subsidiaries of large Japanese organizations in Manchuria such as the South Manchuria Railway, Oriental Development Corporation and similar enterprises.

Japanese Raid a Few Tientsin Narcotic Joints But Heroin Trade Continues

THE activities of the Japanese Consular Police during middle of June indicates that Japan is commencing to realize that she can no longer completely ignore the world-wide condemnation of her narcotic policy and the universal clamor for a cleanup of the narcotic situation in the Japanese Concession of Tientsin.

For the first time in years, several raids on hotels and drugstores have been conducted by the Japanese Police and a large quantity of heroin and other narcotic drugs has been seized. One Japanese detective was shot in the buttocks during a raid on a Chinese-owned pharmacy dealing in narcotics, when the wife of the proprietor thought he and his fellow detectives were bandits seeking to rob their store and kidnap her husband.

This "grand stand" play undoubtedly will fool many people into believing that a sincere effort is being made to clean up the narcotic situation and during the next few months a great deal may be read in the newspapers about "Japan's Anti-Dope Drive in North China". The fact is that so far less than 50 people have been arrested out of the estimated 11,000 who are engaged in this huge industry in the North under the pro-

tection of the Japanese authorities. Not one of the 400 small heroin and opium dens have been closed in this "gigantic drive". Hustlers still roam the streets seeking to drag prospective customers into the joints and the pungent opium fumes are just as prevalent as ever in the streets of that area.

It is a well known fact that the Japanese authorities are actually afraid to take drastic action against the largest and most influential narcotic syndicates because of certain political ramifications in the Concession. A really smashing anti-narcotic drive would have such repercussions that the lid would be blown off one of the foulest situations imaginable. Hence there is only the remotest chance that the narcotic industry, which is rapidly converting the Japanese Concession into one vast slum, will be seriously checked at least until there is a change in the present North China set-up.

The Japanese authorities therefore are caught between this condition and the realization that Japanese administration has fallen into complete disrepute amounting to a national disgrace.

Just how far the much-vaunted "anti-narcotic

drive" has actually progressed may be realized by the following incident. On June 13 Chinese police arrested two beggars who had just thrown a large sack into the Haiho River. The sack was retrieved and found to contain a drug addict who was in the last stages of narcotization but still alive. The two "body dumpers" told police their victim was a friend with whom they had often spent much time in the Ta Shou Yang Hang (大壽洋行), in the Japanese Concession. When he had collapsed the effects of the drug, the proprietor of the den promised them a quantity of narcotics if they would dispose of their friend's body. This they agreed to do, with the result that they were apprehended.

This case received much attention in the papers and the name of the den was widely printed in the Chinese press. Certainly the Japanese Consular Police could hardly claim ignorance of the existence of this den but the writer visited the place two days later and purchased a 50 cent packet of heroin quite openly! That den of horror has not yet heard of the epoch-making Japanese drive against narcotics, and probably never will, for it is one slight tool in the Japanese Empire's continental policy.

D. Kato, First Secretary of the Japanese Embassy in Peiping made an "indignant reply" to the charges levelled by members of the Opium Advisory Committee of the League of Nations in connection with the drug trade in North China, according to *Reuters*. "The Commission," Mr. Kato said, "should recognize that the Japanese authorities were making sincere efforts to suppress Japanese participation in the drug trade, which they realized was an international crime."

Statements like these, and large headlines about Japanese efforts to stamp out the heroin menace based on a few scattered raids are to be anticipated. However, all the Japanese authorities are careful to point out that any effort Japan makes is not because of the universal condemnation of her policy as expressed at Geneva, but solely in line with the "new" Foreign Office regulations promulgated on July 1, 1936, for the suppression of the illicit drug traffic in China.

The only explanation ever heard from any Japanese official regarding the continued existence and expansion of the heroin, morphine and opium traffic in the Japanese Concession is that immediate closure of all manufacturing plants, jobbing establishments and dens would throw thousands of Koreans out of work and "other employment must be found for them first". No effort has been made to find them any other employment and no serious deportation effort has even been made. The last batch of Koreans deported from Tientsin left here nearly a year ago, following a raid on a Customs godown in the French Concession, a case that was pushed by the French authori-

ties and Customs officials not as a smuggling case, but as armed robbery. Since then no Koreans have been deported.

It is recalled that the smuggling of sugar, kerosene, artificial silk, piece goods and other commodities received its initial spurt after the Japanese Consular authorities had—virtually overnight—halted the smuggling of silver through the Great Wall. These Koreans immediately turned to smuggling of commodities. During the past month, Japan's "Special Trade" has suffered a severe slump and thousands of these Japanese and Korean ronin are now turning to the narcotics traffic.

This excuse, if it is an excuse, wears thin when it is known that by far the majority of those engaged in the narcotic traffic in the Japanese Concession are Chinese, not Japanese or Koreans. All of the large syndicates and most of the retail stores and dens are owned and operated by Chinese, with a Japanese "front" in order to claim the privilege of Japanese extraterritoriality.

Quite complete reports of the proceedings in Geneva have been printed elsewhere in *The China Weekly Review* and there is no need to reprint them here, but the whole world will watch Japan's new attitude as a result of the disclosures.

What we predict is this: A number of "small fry" narcotic dealers will be arrested and fined nominal sums, then turned loose to prey on the Chinese people again. Some narcotics will be seized and a "huge bonfire", consisting mostly of boxes and bags filled with dummy narcotics will be burned in the vacant lot across the street from the Japanese Consulate-General. These things will be made the basis of a report to the League and other authorities showing Japan's "sincere efforts" to stamp out the narcotic evil in the Japanese Concession—and the deadly business will flourish as much as ever.

If the pressure becomes too great, it is possible that some portion of the industry may be moved from the Japanese Concession, which is too conveniently accessible to prying neutral investigators, into the East Hopei region and Jehol. A Chinese friend of the writer of these paragraphs recently gained access to a typical heroin plant in Tangshan where he saw seven Japanese and Koreans and 30 Chinese employes at work. They worked only at night and the place was guarded by three members of Yin Ju-keng's Peace Preservation Corps. Workmen were building a large addition to the plant.

Chinese reports say that the Japanese are opening a huge drug manufacturing plant in north Chahar, with sales offices in various hsien and villages, capitalized at \$2,000,000.

An official Manchukuoan Government report shows that the province of Jehol has now been given over almost entirely to the opium poppy

and that opium is now the only export from the province. The total area planted in poppies is 600,000 *se* (1 *se* is equal to 99.17 square meters) with a production of 10,000,000 lians (one lian equal to 50 grams). Deducting the opium privately consumed by the farmers themselves, leaves 9,000,000 lians, worth about 17,000,000 Yen annually.

These and other reports indicate that it is possible that the Japanese authorities may move some of the narcotic trade out of their Tientsin concession if the pressure becomes too great.

Japan has been able to produce arguments and excuses in support of her "Special Trade", her illegal airplane flights, her land colonization and other such activities in North China, but she has never yet been able to produce any excuse, no matter how specious, to support her narcotic policy. That is the one absolutely indefensible crime—and the reason why the whole world knows the truth about Japanese administration over her colonies and "spheres of influence."

Widespread Corruption Among Members of Japanese Concession Police in Tientsin

Widespread corruption among the Japanese and Chinese members of the force police of the Japanese Concession in Tientsin was charged in recent dispatches in the Chinese newspapers, which stated that a book seized in the home of a leading narcotic dealer showed that the guardians of law had allegedly received substantial "protection fees." The book was seized in the home of Chen Kwen-yuan, declared to be the Number One drug dealer of Tientsin, who was arrested by the Japanese Concession police about two weeks ago during the campaign against narcotics. The book contained detailed entries of payments made in the form of "protection fees" to many high officers. Many of the payments were on a monthly basis, it is claimed. The chief of the Japanese special service department in Tientsin is alleged to have received \$20,000 monthly "protection fee" from Chen alone. Lower ranking traffickers and peddlers allegedly also paid "protection fees" ranging from \$1000 to \$10,000 monthly to the high officers in the police force. Among the high Chinese police officers held in custody are said to be Chief Detective Liu Shou-yen of the Special Service Branch, Detective Sub-Inspector Li Wen-hsiang and Inspector Hsu Shu-fu. They are reported to have confessed that the "protection fee" system was perfected under the former chief of the branch.

Inspector Hsu Shu-fu, the reports declared, accumulated a fortune of between \$400,000 and \$500,000 during the last few years since he joined the police force.

Huge Array of Opium Shops in Japanese Concession at Tientsin

There are 248 yang hong or "foreign firms" dealing in morphine and heroin and 137 opium shops, some also operating smoking dens, in the Japanese Concession in Tientsin, according to a detailed survey made by the Chinese Anti-Opium Association. On West Chakow Street, on the boundary of the Japanese Concession and the Chinese controlled area, there are no less than nine yang hong dealing in narcotics. On Chakow Street proper, there are 17 yang hong. It was from that street that three "dead" drug addicts were carried to the Haiho by four Chinese coolies sometime ago to be dumped into the watery grave. On the West Chakow Street, the survey also revealed, there are 36 opium shops, all operating smoking dens at the same time. In another street behind the New Hotel, no less than 61 opium shops are located. Except for seven shops which deal exclusively in opium retail, all the others operated smoking dens at the same time. The Chinese National Anti-Opium Association, it is stated, is also conducting surveys in other North China cities and will publish the results of its inquiries from time to time.

Three Japanese Police Officers Wounded in Opium Raid in Tientsin

A *Domei* message from Tientsin June 12 stated that three Japanese police officers were shot and wounded in a series of raids on drug dens in said city and in Peiping on the morning of June 10. Thirty-five Japanese traffickers in narcotics were rounded up in the two cities. Of these, 29 were seized in Tientsin and the remainder in the Old Capital. The officers were wounded as the hunted dope smugglers opened fire on the raiding parties.

The raids, according to a Japanese Consular Police statement were carried out in conformance with a Gaimusho decree of July 1, 1936, prohibiting Japanese nationals engaging in drug trafficking in North China. The police authorities, it was stated, would continue to suppress traffic in dangerous drugs.

The Hua Pei Hotel in the Peiping east city was raided by the police June 19 when 29 alleged drug addicts were arrested and a large quantity of drugs seized. Sixty-two arrests were made during a raid on another drug den in the same section of the city the previous Sunday.

The "Profession" of Body-Dumping as Practised at Tientsin

Disposing of the bodies of destitute dope fiends who die in the narcotic dens of the Japanese Concession in Tientsin is a regular "profession" in Tientsin, according to confessions made by "body dumpers" who have fallen into the hands of the Chinese police, U.P. messages printed in newspapers in the United States stated. The "body dumpers" complained that their profession formerly was very lucrative due to the large numbers of corpses to be removed and the remuneration received. During the past year the number of narcotic dens and deaths have increased, but the body-dumping profession became so overcrowded that corpses are now being disposed of at ridiculously low prices. Most of the deaths occur from starvation coupled with over-doses of the narcotic drugs.

Last year when the ice melted on the Haiho River in Tientsin, 87 corpses of narcotic addicts disposed of in this manner came to the surface and created a scandal. This past winter the river not did freeze and the bodies floated down river without incident. The body disposers, mostly addicts themselves, usually stand in a tiny alley behind Hashidate Street, in the Japanese Concession, awaiting a call from one of the hundreds of dens in that district.

Coolies Dump Corpses into River Instead of Burying Them

In discussing the subject of the hundreds of corpses found floating in the river at Tientsin, Jack Belden, writing in the *China Press* of May 18, stated that a ghastly game of murder was being played on the banks of the Hai Ho and that an average of three corpses a day were being dragged from the stream which flows through the heart of Tientsin. Some of the corpses showed signs of narcotic poisoning, others did not; they were not identified. In some cases it seems that coolies who were being paid to bury the corpses took the easier way and dumped them into the river. Sometimes it happened that the supposed corpses were still live human beings, in an emaciated condition.

Peiping Being Turned Into Drug Center by Koreans

Central News says that Peiping, next to Tientsin, is being rapidly turned into a center of drug manufacture and traffic as a recent survey discloses that no less than 290 Korean families are depending for their living on the drug trade. Under the protection of extrajurisdiction rights, the Koreans have been able to carry on the illegal traffic with impunity. The East City has proved a haven for the drug addicts and manufacturers, as in that section are located almost all the big drug plants and shops. Hundreds of ounces of opium, morphine, heroin, and kindred drugs are turned out daily, both for local consumption and for smuggling to out-ports. The Peiping police estimate that about 170 Korean families in the Inner City and about 120 others in the Outer City are now engaged in the drug trade.

Chinese Drug Peddler Executed at Peiping

A Chinese drug peddler, named Ying Yu-shan, was executed at the Tien Chiao, Peiping, June 18. He was 39 years of age and a native of Honan. He was arrested on the Peiping-Hankow Railway some time ago for transporting drugs, and was later handed over to the Headquarters of the Pacification Commissioner of Hopei and Chahar. Before his execution Ying was paraded through the principal streets in the city.

Tientsin Drug Factory Removed to Great Wall Vicinity

A recent dispatch in the *Lib Pao* stated that "certain quarters" in Tientsin have moved their drug factory to the vicinity of the Great Wall, so as to avoid the publicity which has recently proven so disconcerting; also to facilitate the obtaining of raw materials. Hereafter, the sale of illicit drugs will be handled by ronins travelling in the interior, according to the same report.

J. B. Powell Describes Narcotic Scandal in North China

An ugly picture of how Japanese and Koreans, protected by extrajurisdictionality, and a few of their corrupt Chinese associates are drugging a large proportion of the population, both Chinese and foreigners, in sections of North China was given in an interview in the *China Press* June 19 by J. B. Powell, Publisher of *The China Weekly Review*, who had just returned from a six-weeks trip to North China. In Tientsin, Mr. Powell said, the Japanese concession is dotted with narcotic dives, each advertising its wares with the sign, "Yang Hang," (foreign firm). Mr. Powell made several visits to this area, which is rapidly becoming a big attraction to tourists. In this area, the visitor can buy packages of heroin as easily as one buys cigarettes in Shanghai. Upon entering the area, he is immediately surrounded by agents, each clamoring the special qualities of his narcotic. The way in which these agents swarm about the visitor, he said, indicates that there is an overproduction of narcotics.

Mr. Powell visited a drug "hotel," which had at least a dozen large rooms. Each room was filled with two rows of benches and averaged about a dozen opium addicts. Most of the smokers were youths, he said, and a good many were women. A sordid feature of the traffic was that all of the attendants were little girls, probably slave girls, who tended the opium lamps. "Although the situation in Peiping is not so bad, it is bad enough," continued Mr. Powell. Here the trade is conducted mainly by Koreans, who are also protected by extraterritoriality. They conduct at least three big opium "hotels" which are running at full blast.

Asked about the recent raids by Japanese Consular detectives, Mr. Powell pointed out that observers assign two reasons for this extraordinary action. One is that the Japanese are cleaning up the dens because many of the Japanese soldiers and civilians are succumbing to the easy availability of cheap narcotics. Another reason given by observers is that it is a show put on because of the recent allegations made before the Opium Advisory Committee of the League of Nations. The recent raids on opium dives were

Egypt, that Japanese officers and soldiers were becoming drug addicts has been taken to form a large headline. In view of these highly regrettable occurrences I must make a strong protest against this aspersion on the Japanese army, in which no case of drug addiction has ever been reported."

A statement in the same vein was made by D. Kato, First Secretary of the Japanese Embassy, at Peiping, June 12. "The Japanese nation," he said "cannot overlook this wilfully malicious statement." He added that the Opium Committee should recognize that the Japanese authorities were making a sincere effort to suppress Japanese participation in the drug trade, which they realized was an international crime.

Japanese Newspaper Tries to Shift Blame on Shanghai Municipal Council

"The vigorous measures taken by the Japanese authorities in China to suppress drug trafficking by their nationals should set a good example to the British officialdom," the *Shanghai Nippo* de-

Marie Wen Sent to Women's Prison in West Virginia

Marie Wen, who was convicted about a year ago in Los Angeles and sentenced to ten years' imprisonment for being concerned in smuggling huge quantities of narcotics into the United States, was last month transferred to the women's federal prison at Alderson, West Virginia. Miss Wen, who is suffering from an incurable spinal malady, had been confined to a bed in a Los Angeles hospital up until the time of her transfer. Efforts made on her behalf to have her deported to China proved unavailing. The Los Angeles *Herald* of May 27, in noting the transfer of Miss Wen, led off its account as follows: The grim spectre of death hovered over a "movable prison" car—the "misery train" to the underworld—as it pulled out of the Southern Pacific station today for a long run along the steel trail that will lead to prison cells for some and a possible tomb for a young, once glamorous girl.



Picture above shows Marie Wen on her way to a U. S. federal prison cell that may become her tomb. She is being carried aboard the government prison train at Los Angeles for the trip to the Women's Prison at Alderson, West Virginia. Miss Wen is under sentence to serve 10 years for smuggling \$100,000 worth of narcotics into the United States. Doctors say she may die in prison.

preceded by smaller scale clean-ups about the middle of May when the Chinese protested the abnormal number of bodies found floating in the river which flows through the Japanese concession. At that time, the Japanese authorities handed over a large number of Chinese beggars, mostly dope addicts, to the Chinese authorities.

Mr. Powell visited a factory or internment camp where 1,600 of these people were being kept. All of them were ragged and looked starving. Some of them didn't even have clothes to wear, having probably sold them to secure narcotics to satisfy the drug craving. "There were at least 100 boys among them." This situation, he said, has come about directly as a result of the opium monopolies in Manchuria, Jehol and Hopei.

Asked why Japan is drugging North China, Mr. Powell pointed out that some observers say that it is part of her program to gain control, while others say that it is chiefly because the trade a lucrative business.

Delegate at Geneva Protests Against Allegations of Drug Using by Japanese Soldiers

The recent drug charges made against Japanese army officers and soldiers were refuted by Mr. Yokoyama, the Japanese delegate, in a declaration at the concluding session of the Opium Consultative Committee of the League of Nations in Geneva June 12.

"During the discussion on the Far Eastern situation," Mr. Yokoyama said, "I deliberately refrained from going into details on the information supplied, which seemed to me to be much exaggerated. My silence has been used as political propaganda in certain Far Eastern newspapers. For example, the statement by Russell Pasha, Director of the Central Narcotics Bureau of

clared editorially June 17. In making this statement, the daily said it was "tempted to share the general suspicion that the British-controlled Shanghai Municipal Council was not sincere in its efforts to suppress the traffic in drugs." The journal urged the municipal authorities to co-operate with the Chinese Government in stamping out the sales and consumption of opium in the Settlement.

League Committee Reports Remarkable Improvement in Control of Drug Manufacture

A remarkable improvement in the position regarding the legitimate manufacture of drugs, due to the operation of the Geneva Conventions of 1929 and 1931, was recorded June 16 in the report of the Opium Advisory Committee of the League of Nations. The manufacture of morphine and cocaine is little more than it was in 1921 and of diacetyl morphine it is only 18 per cent of the 1921 figure. This means that at present there is a close approximation of world needs and legitimate manufacture. The report gives details of the results of the Chinese Government's activities to suppress drug addiction including the aim to reduce the number of smokers by one-fifth annually. The International Settlement in Shanghai reported a notable decrease in 1936 of the clandestine manufacture of heroin among the Chinese population, as a consequence of the effective enforcement of the new Chinese regulations in the Settlement. The same situation prevails in the rest of China. The Committee's report, however, states that it is notorious that the smuggling of opium, and especially of manufactured drugs, by certain foreign nations is paralysing the efforts of the Chinese Government. Nevertheless, the Committee is deeply concerned with the

illicit traffic in, and the clandestine manufacture of dangerous drugs in the Far East. It says that the province of Hopei has become the center of the world's most extensive manufacture of illicit heroin.

Japanese Home Office Plans to Make Drug Laws More Stringent

A *Domei* message from Tokyo June 11 stated that the Japanese Home Office in cooperation with the Ministry of Justice has undertaken the revision of the laws controlling opium and other dangerous drugs. The statutes not only will aim at the suppression of opium smoking but will also seek the suppression of the manufacture and traffic in narcotics by means of heavy penalties.

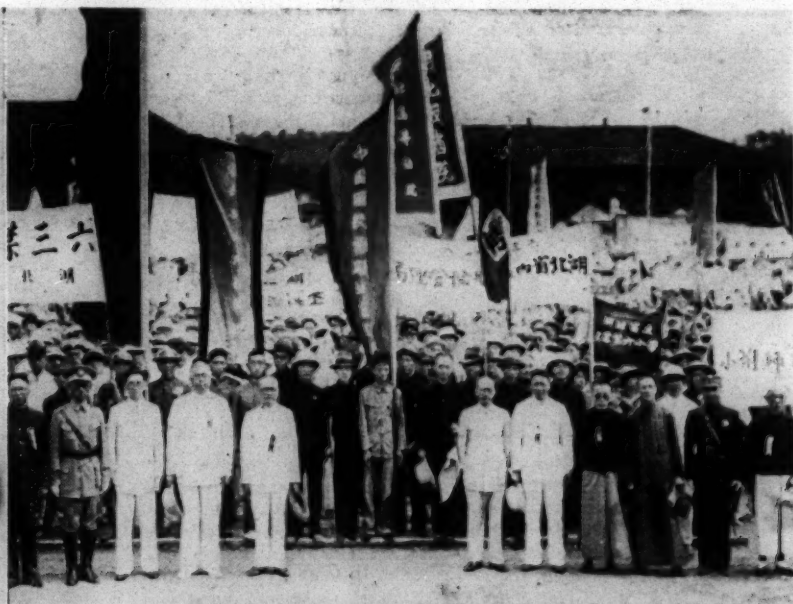
Nanking Clinics Do Good Work in Curing Narcotic Addicts

Three years of intensive efforts on the part of the opium suppression authorities at Nanking have resulted in the delivery of 24,172 opium and drug addicts from sure destruction during the last three years, ending last February, according to a recent survey. In 1936 alone, 10,861 were admitted into the clinics operated by the Nanking authorities for the cure of the opium and drug smokers. Eight hundred and ten are still under treatment, the rest having been cured of their habit.

Hupei Anti-Opium Week Observed in Wuhan Cities

BY S. Y. CHI 季世英

UNDER the initiation of K. T. Chung, Special Commissioner for Opium Suppression of Hupei and for many years General Secretary of the National Anti-Opium Association, a perfect observance of Opium Suppression Publicity Week was carried out, June 3-9, in the Wuhan Cities. All the Party, government and military leaders—Gen. Ho Cheng-chun, Director of the Wuhan Provisional Headquarters of the Chairman of the Military Affairs Commission; Gen. Huang Shao-hsiung, Chairman of the Hupei Provincial Government; Peng Kuo-chun, Special Party Commissioner for Hupei; Gen. Kuo Chien, Wuhan Garrison Commander; Dr. K. C. Wu, Mayor of Hankow; as well as many other business, educational and social celebrities have taken an especially active part in bringing the city-wide campaign to a very successful conclusion.



Above, left:—K. T. Chung, Special Opium Suppression Commissioner for Hupei, who in a speech before 50,000 people on the inaugural day of the Opium Suppression Publicity Week at Wuchang, appealed for public co-operation and moral support in the fulfillment of the Government's gigantic program of exterminating the evil of opium addiction in China by the end of 1940. Mr. Chung, who was the first General Secretary of the National Anti-Opium Association, has ever since been rendering valuable service as a pioneer of the anti-narcotic movement, having succeeded, in co-operation with other social leaders in the country, in inducing the National Government to take the supreme leadership in the achievement of the opium suppression movement.

Above, right:—View of mass meeting on the inaugural day, June 3, at Wuchang.

Left: View of the destruction by fire of a large quantity of opium, opium paraphernalia and narcotic drugs confiscated by the police during the last twelve months.



Manager of Kincheng Bank to Be Tried Because of Opium Found on Premises

King Sung Sung-tao, manager of the Kincheng Banking Corporation in Chengchow, will be tried by a military tribunal in the near future, in connection with the seizure of 10,000 ounces of opium in the bank premises some months ago.

Director of Opium Suppression in Fukien Arrested for Corruption

Suspected of embezzlement, corruption and other irregularities, Cheng Yin-shan, director of the Fukien Opium Suppression Bureau, was taken into custody at Foochow, June 21. The arrest of Cheng was ordered by Gen. Chiang Kai-shek, President of the Executive Yuan, in his concurrent capacity as Director-General of Opium Suppression.

Foreigner Arrested on Opium Charge at Manila

Charles Evans, a member of the crew of the *Japanese Prince*, was taken to Hongkong in the *Siamese Prince* June 21 after having been arrested in Manila at the request of the Hongkong authorities on a charge of opium smuggling. Two other members of the crew of the *Japanese Prince*, both British Indians, are also wanted.

Mammoth mass meetings were held both in Hankow and Wuchang on the inauguration day, June 3. Many speeches were made by leading officials, either reviewing the progress of the opium suppression work, or stressing the importance of the anti-opium campaign in regard to national rejuvenation, or pleading for public interest and support to the anti-narcotic movement.

The Anti-Opium Publicity Week was featured as follows: June 3, Inaugural Day; June 3, Military and Police Day; June 5, Women's Day; June 6, Students' Day; June 7, Officials' Day; June 8, Merchants' and Laborers' Day; June 9, Closing Day, which was marked by the taking of oaths by the representatives of the various organizations, schools and public bodies.

Throughout the Week, all available means were mobilized for popularizing the movement. All newspapers and magazines published special anti-opium numbers, featuring with specially written editorials, messages from Generalissimo Chiang Kai-shek, Superintendent-General of the Opium Suppression Commission, and other central officials, cartoons and pictures, etc. Students held oratorical contest and speeches. Amusement houses showed anti-opium performances. Posters, pamphlets and handbills were

freely distributed, cartoons and lantern slides displayed, lectures and parades held, speeches and music broadcasted, and various means employed to bring the publicity movement to a very successful conclusion.

One hundred thirty-four cases of narcotics, worth over \$500,000, confiscated by the Hupeh Opium Suppression Inspectorate, was openly burnt by fire before the presence of a body of official and public representatives, on the inaugural day, June 3. In like manner, a large quantity of opium-smoking paraphernalia, confiscated by the Hankow Police Bureau from June 1, 1936, to May 16, 1937, was also publicly destroyed by fire before a large gathering of spectators.

Ever since the establishment of the National Government in Nanking, opium suppression has been one of its irrevocable policies. In accordance with the teachings of the late Dr. Sun Yat-sen, the Chinese Government has determined to remove the humiliation inflicted upon the Chinese people during the past hundred years. General Chiang Kai-shek since the very beginning of this advent to power has decided to fight against the twin foes: opium and its allied narcotic drugs. Since his appointment to the responsible position of Superintendent-General of the Opium Suppression Commission by the Central Political Council, General Chiang has tackled the problem with an uncompromising attitude. Under rigid suppression measures, China has therefore banned by law the production, sale, transportation and consumption of opium. The program of opium suppression as promulgated by the National Government aims at the complete eradication of opium and narcotic drugs in six years as from 1935.

General Chiang Kai-shek, in his capacity as the Superintendent-General of the Opium Suppression Commission, has issued from time to time instructions to local authorities that the suppression measures should be strictly enforced. All addicts should be registered, and no poppy cultivation would be allowed except in a few districts specified in the six years' program. Special opium suppression commissioners and inspectors were sent to different provinces and municipalities to investigate the actual condition and see if the law has been effectively carried out. Military officers, soldiers, civil servants, school teachers and students will be given heavier punishment should they be found smoking opium. In all, the remarkable accomplishment of the opium suppression movement during the last year, as revealed in the Generalissimo's report published June 4, will suffice to test China's sincerity and determination in her efforts in combatting the evil of opium addiction.

In spite of the determination of the Government to exterminate the evil, the task is too much complicated by the existence in different parts of China of foreign concessions and settlements where Chinese opium suppression laws are not capable of being strictly enforced, with the deplorable consequence that the illicit traffic continues to flourish in those areas under the protection of extraterritoriality. Apropos of these difficulties, China has always been disposed to cooperate with the treaty powers and responsible authorities of all other countries through the League of Nations for the suppression of the opium traffic and manufacture of allied narcotics. It is therefore earnestly hoped that all the nations signatory to the Opium and Narcotics Convention (lately drawn up at Geneva) will, with all their mind and ability, help China in her strenuous efforts in combatting the great foe of humanity.

Dumping of Fengtien Salt Affects North China Revenue

Vendors of Liaoning (Fengtien) salt, who have, during the past two years, been dumping this commodity in the 22 districts under the East Hopei regime are now seeking new markets in Hopei and in the northern parts of Shantung and Honan, according to a Tientsin dispatch to the *China Times*. This salt has, in the past, been shipped from Yingkow to Chingwantao where it entered the East Hopei districts, and only reached the Tientsin market in small quantities. Now, however, the salt passes directly through Tientsin as Japanese vessels carrying Liaoning salt ply between Yingkow and the port city whence it is distributed to inland districts. The market price of this salt is only \$3 a picul, which is \$5 cheaper than the Changlu salt and the latter has been largely displaced. As a result, a marked decline in the salt tax revenue is feared, since last year, when the secret sales of Liaoning salt were only beginning, a deficit in salt tax collection of \$7,000,000 was reported. In view of the growing invasion of contraband, the Salt Gabelle and the Customs are planning to set up inspection offices to check the traffic.

Difficulty Seen in Renewal of Sino-Japanese Negotiations

A Nanking message dated June 20 in the *Ta Kung Pao* stated that attention has been aroused by the contradictory views expressed by the Japanese and Chinese authorities regarding the renewal of negotiations for the improvement of relations between the two countries. According to latest reports available, Mr. Kawagoe, Japanese Ambassador to China, has expressed his opinion that, in settling the Sino-Japanese dispute, all difficult problems should be solved prior to the discussion of matters, which are more easily settled. This opinion, however,

contradicts the statement issued by Dr. Wang Chung-hui, Chinese Minister of Foreign Affairs, who insisted that the solution of minor important problems should precede the commencement of negotiations regarding more difficult questions. Meantime, it is not certain whether Mr. Kawagoe will be able to meet Dr. Wang, since the latter is leaving here for Lushan on July 2. Mr. Kawagoe is expected to reach Shanghai on June 29.

China Will Not Surrender to Japanese Aggression, Says Sun Fo

A strongly-worded statement was given to the press by Sun Fo, President of the Legislative Yuan, on his arrival in Shanghai June 20 from Nanking, concerning latest Sino-Japanese relations. "In the past," Mr. Sun pointed out, "the Japanese always thought that China could be suppressed by force." This was a fatal mistake, and, in order to improve her relations with us, Japan must rectify such errors," Mr. Sun emphasized, as quoted by *Shih Shih Hsin Pao*, June 21.

Japanese Will Hold Maneuvers in North China June 25-7

Maneuvers lasting three days will be held by the Japanese troops in North China commencing June 25. They will be staged along the Peiping-Liaoning Railway with Peiping and Tientsin as the main objectives. A Tientsin message in the *Shun Pao* June 21 stated that these maneuvers are adding considerably to the tension existing in North China.

5,000 Students Join Anti-Smuggling Movement in Peiping

The *Shun Pao* says that already 5,000 students in Tientsin have joined the anti-smuggling movement. Five representatives of these students called on the Customs authorities pledging their support to the preventive measures taken by the authorities against smuggling.

"Nippo" Reports Building of Chinese Barracks Near Tsingtao

The *Shanghai Nippo* says large barracks with a capacity of more than 2,000 soldiers are being built in Kingchiakow near Tsingtao by the Chinese military authorities. Meanwhile the revenue police in the area have been reorganized in accordance with war-time requirements.

Budget of the Bogus East Hopei Regime Being Discussed at Tientsin Conference

Yin Ju-keng, puppet chief in Eastern Hopei, arrived in Tientsin June 21 in company with Tse Chung-mu. Following his arrival, Yin had a conference with General Tashiro, Commander of the Japanese Garrisons in North China. The question on curtailing expenses of the puppet regime was brought up for discussion at the meeting.

Japanese Garrison in North China Organizes Special War Time Division

The Japanese Garrison in Tientsin has decided to organize a special war time division to take care of all the matters resulting from the outbreak of hostilities. A number of the members of the General Staff of the Garrison have been appointed to be members of this special division.

Japanese Engineers Investigate Shantung Iron Resources

The 24 Japanese engineers who arrived in Tsingtao on June 11 have gone to various districts along the Kiaochi Railway for the purpose of locating deposits of iron ore in the district. According to the Japanese engineers, there are deposits of over 85,000,000 tons of iron ore in the area.

President of Hsin Chung Co. Talks on Economic Co-operation

Mr. Sogo, President of the Hsin Chung Company, a subsidiary of the South Manchuria Railway, in an interview in Peiping June 18 discussed freely his recent visit to Taiyuan, his conversations with Li Shih-hao and the work of his organization as well as his conception of Sino-Japanese economic co-operation. Mr. Sogo admitted that he had had discussions with Li Shih-hao, Chairman of the Economic Commission of the Hopei-Chahar Political Council, regarding the subject of Sino-Japanese economic co-operation in North China, but said that no definite conclusions had been reached.

Mr. Sogo denied the suggestion that the Japanese were bringing pressure to bear on the Chinese authorities in connection with the Tientsin-Shihchiachwang railway project.

Explaining his own conception of Sino-Japanese economic co-operation, Mr. Sogo regretted that the Chinese authorities always regarded any Sino-Japanese co-operative project with suspicion though the Japanese had no ulterior motive in mind. When one read the teachings of the late Dr. Sun Yat-sen one could not but come to the conclusion that if a country was to become wealthy and strong, the livelihood of the people must be considered and improved.

Lt.-Gen. Tashiro to Be Recalled in Near Future

The *Shun Pao* says that Lt.-Gen. Tashiro, commander of the Japanese Garrison in North China will be transferred to another military post in Japan and his successor is expected to arrive in Tientsin in August to take over the command of the Japanese troops in North China.

A Pacific Locarno and the Powers

BY YEN-YING LU (盧延英)

WHEN the Imperial Conference opened in London on the morning of May 14, the Australian Prime Minister, J. A. Lyons, caused quite a stir and wonderment in the placid private session by declaring; "Australia is vitally interested in the Pacific and would welcome any regional understanding or non-aggression pact among the Pacific countries conceived in the spirit of the League. Australia is prepared to collaborate with all the peoples of the Pacific toward the achievement of such a pact in the spirit of understanding and sympathy." Whether this suggestion is merely an electioneering move or a tactful hint for the consideration of a neighboring country which has filled Australia with misgivings, may be left to conjecture. But it has certainly revived, in a claptrap manner, what has been characterized with journalistic effectiveness as "pactomania." The most that may be said about the Australian proposal at the first blush is that it is a timely enunciation of high ideals based upon sound statesmanship. Anticipating a better international order than that prevailing at present, it holds out peace and mutual advantages for all countries possessing immense stakes in the Far East. Yet practically nothing further has transpired beyond Mr. Lyons' sweeping statement of vague generalities. When interviewed by the press on May 18 regarding his proposal, he declined to elaborate it with further particulars. Thus appeared the first element of uncertainty, which left us rather in the dark as to how and when a Pacific non-aggression pact may be concluded.

Principle of Non-Aggression Not New Idea

After all, the proposal for applying the principle of non-aggression to regulate the relations of countries on the Pacific seaboard is no new thing. Nor was it the first time that such a proposal as that of the Australian Premier was broached. Back in 1933, Soviet Russia was allegedly the sponsor of non-aggression pacts which would either ensure collective security or improve bilateral relations among the Pacific nations. But all such alleged proposals have seemed only to arouse a confusion of rumors. They gained intermittent currency in the press for a season and then sank out of existence. They either failed to fructify or met with flat denials by official or diplomatic circles.

Of all the non-aggression proposals, the one set forth by the Australian Premier, on account of the striking circumstances under which it was made known, has the brightest touch of reality. At least it puts the publicists on substantial ground and gives them a clear-cut major premise to work upon. Unmistakably it has given further vent to the restless urge that has been long agitating certain countries to secure their own safety in particular and to pacify Far Eastern relations in general by means of a project so widely tried out in Europe. Inferring from the comments and speculations occasioned by the news of the Australian proposal, we can discern the attitudes and reactions thereto of the various countries presumably involved in a project for a Pacific Locarno. To do this is to forecast whether such a project can develop into anything very substantial.

During his visit to President Roosevelt, in November and December, 1933, Maxim Litvinov, Soviet People's Commissar for Foreign Affairs, optimistically struck upon the idea of working out a non-aggression pact for the Far East. It was to be a tripartite undertaking between the U.S.A., the U.S.S.R. and Japan. Whether his plan ever was brought up and discussed by the State Department was not definitely known. At any rate it was dropped after having been projected rather vaguely from the versatile brain of the diplomat. Then it was reported in August, 1934, that a six power pact was being considered as a possible development out of the successful negotiation of the then much agitated Eastern Locarno Treaty in Europe. It was again Mr. Litvinov who made the proposal to Mr. Norman Davis. But the latter neither made comments nor revealed the views of Washington upon it. By the six Powers were meant Great Britain, France, the Soviet Union, China, Japan and the U.S.A. The pact would provide for mutual assistance even with a military undertaking attached thereto, the parties pledging to give united military help to any one of them when attacked by an aggressor-nation.

Dangers to Far Eastern Peace Recognized

With the non-aggression idea ever uppermost in his mind, Mr. Litvinov tried to get acceptance for it from another quarter. During the visit of Anthony Eden to Moscow in March, 1935, he

sounded out the British diplomat regarding the formation of a Far Eastern security pact. Just what were Eden's opinions about the proposal was not divulged at the time. Probably he thought it orthodoxly diplomatic to hold back or reserve his reply, for he had to refer the matter to Sir John Simon. Between Litvinov and Eden, it might have been agreed to keep the proposal secret, pending the working out of its details. At any rate, it is within reason to suppose that they both recognized the dangers that were threatening Far Eastern peace. The proposed security pact, as reported by the press, would include three Powers—Great Britain, the U.S.A. and the Soviet. If Japan would like to join in, it would be so much the better for the U.S.S.R.

As an ardent advocate of non-aggression, Soviet Russia has been consistently pursuing her policy for collective security among the Powers. Nothing short of this can allow her economic reconstruction to be realized. Her position in Europe now is fairly well safe-guarded through a chain of non-aggression pacts she has concluded with the countries contiguous to her western frontier. But Japan's aggressive advance into Manchuria, North China and Inner Mongolia, followed up by the conclusion of the anti-Comintern pact with Germany, has given Russia deep cause for suspicion regarding Japan and Germany. For the past five years, therefore, Russia has unceasingly directed efforts, on the one hand, toward strengthening her defences in Siberia and, on the other, toward achieving non-aggression pacts in order to secure her eastern frontier.

When the Australian proposal was made public, no wonder the Moscow press at once greeted it with enthusiastic praise. Viewed through Soviet eyes, the coming of a Far Eastern non-aggression pact would not only "coincide with the interests of all Pacific countries but play a tremendous role in ensuring peace in Europe." Overlooking all its possible difficulties, Moscow seems to feel confident that the pact could be concluded if the Powers would support it by showing readiness and steadfastness, may be even to the point of antagonizing or isolating the aggressor nation.

As far as Russia is concerned, a collective security system for the Far East can hardly be imagined if it cannot serve as a preventive measure against certain eventualities arising from the aggression of any of the parties thereto. Hypothetically speaking, the pact might operate on the following probabilities: Russia gives aid to Great Britain and the U.S.A. in anticipation of opposing Germany or Italy and Japan respectively, and in return Great Britain or the United States supports Russia and China in the event of either being attacked by Japan or Germany.

This explains why Japan and Germany have looked askance at a Far Eastern Locarno as being intended to put spokes in their actions. They might well resent and constraint. Then between Russia and Japan the question of negotiating a non-aggression pact is a snag that has long impeded the improvement of their strained relations. Russia is desirous of offering such a pact, but Japan somehow or other has fought shy of it. The Franco-Soviet Pact and the Anti-Comintern Pact have for all intents and purposes set Japan and Russia at odds with each other.

After Premier Lyons had announced his proposal, it was suggested that Great Britain should take the initiative in realizing it by inviting the interested countries to a Pacific conference. The suggestion is pat indeed, not only because Britain is a world empire with naval supremacy, but because her immense interests in the Far East will be vitally affected by any scheme for stabilizing peace there. Ridden by armament competitions and double-crossing alliances, Europe seems to be dragging Britain farther and farther afield into commitments that might lead to war. She has to hold rearm Germany in check, and at the same time tries to accommodate matters with Italy over Abyssinia and the Mediterranean Sea. Thus Britain has been pre-occupied for the last three years with attempts at arranging a Western and an Eastern Locarno in hopes of avoiding being involved in conflicts with the countries on the Fascist front.

Britain's Difficult Position

While Japan is exerting continual pressure on China, Britain is faced with a situation in which she either will run foul of Japanese movements or must be ready to lose out in South China. For all her military expansion program, Japan is fast coming up to be her naval rival on the Pacific. It therefore seems opportune for the Australian proposal to be broached just when Japan, having caught a Tartar in China, has approached Britain for cooperation in a new China policy. But before the proposal can come to the stage of practical negotiation, Britain and Japan have to reach an understanding regarding such tangled issues as armament competition and the redefining of their respective positions in China and the British colonies. Their trade rivalry, in which Japan's economic penetration into the Dutch East Indies and other Southern Pacific islands threatens to force out European interests, also must be solved. But it requires great moderation and compromise to clear the way for all this. Then Japan will probably make the recognition of "Manchukuo" a condition for joining

in a non-aggression pact. For Britain to abandon her settled policy based upon the Stimson Doctrine just to come down to terms with Japan seems out of the question.

Furthermore, the negative aspect of the collective security system does not appeal much to the practical sense of Britain. The presumption that such a system must have as its object the restraining of an aggressor nation implies too imperative an obligation for the British Empire. One element of uncertainty about a non-aggression Pacific pact is that in an international crisis Britain might not go to the lengths of upholding her international engagements with armed force to bring a violator to book. Her imperial considerations will not allow her to go to such an extreme. What could Britain do for Premier Lyons' proposal, when on May 21, at the Imperial Conference, the British Dominions already raised objections to any more commitments to be taken up by the Empire, either bilaterally or multilaterally, for a new Locarno treaty or for Australian sovereignty?

It is also probable that Britain will find her role of maintaining the balance of power and acting as mediator more burdensome in the East than in Europe. First of all, it still hangs in the balance whether Japan can admit British mediation in her disputes with China. A non-aggression Pacific pact might place Britain in a dilemma, in which her assistance to Russia or China might conflict with her intention to stand in well with Japan or Germany. For the traditional pro-Japanese section of British public opinion still hopes for Japan's aid or promise of neutrality so as to safeguard the far-flung British colonies. Then since the Powers in Europe have aligned themselves practically on the same lines of division as prior to the Great War, it would be absurd for a Far Eastern pact to include certain Powers which might be opposed to one another. This factor of self-contradiction would make the pact almost impossible.

Since the Great War, the concerns of Germany have been confined to Europe, as she has had few interests in the East. But her resurgence in recent years has led her again to enter upon expansion eastward. She has made her influence alarmingly felt by countries on the Communist front in the Anti-Comintern Pact, which gets her in a political line-up with Japan. Her trade pact with "Manchukuo" testifies to her eagerness for getting raw materials in exchange for her manufactured goods. Under the circumstances, it is very doubtful whether Germany can join up with the Powers in a non-aggression pact that would not only restrain Japan but take in Russia and France. The mutual assistance pact between the latter two countries has further embroiled them with Germany. Decided to strike out on plans of her own, Germany is known to be in favor of entering into bilateral non-aggression or military pacts. Thereby she has consolidated her relations with the Central European Powers, as frequent reports by the press seem to indicate. It is thus within reason to speculate that not until Germany wins recognition of her claims to armament equality and to her former colonies, will she join in a Pacific Locarno or any other Locarno.

France Busy in Europe

Though France has been mentioned for participation in a Pacific non-aggression pact as proposed by Premier Lyons, she has been too anxiously occupied with European problems to pay much attention to Eastern affairs. The contriving of alliances and new Locarnos has given her difficulty enough in ensuring her own security. With her colonial interests far down in the Southern Pacific, somehow she does not seem to be pressingly concerned with the Sino-Japanese situation. Throughout the Manchurian crisis, French relations with Japan remained cordial. So it was suspected then that France was showing apathetic indifference to the latter's actions. Indeed, what else could France do? Her hands having been tied with disputes threatening peace nearer home in Europe, she had no alternative but to leave well enough alone in the East by making friends with the only Power that might have caused her trouble in Indo-China and Yunnan.

Such might have been the case back in 1931. But after five years' observation on the Sino-Japanese question, France must see more clearly now to what perilous state of affairs for the Powers all the Japanese movements would lead. Bent upon a policy of southward expansion, Japan is already bearing down, with full military and economic power, upon the Southern Pacific islands. French Indo-China and other colonies are feeling acutely the pinches of Japanese economic pressure. To eliminate this growing menace, France may be aware of the necessity of coming to terms with Japan in either a collective security or a bilateral non-aggression pact. Advantages will equally accrue to France, if thereby the open door in China might be maintained. Indeed it seems opportune now for her to fall in and cooperate with the other Powers who no doubt have all been deeply impressed by the unceasing efforts of China in national reconstruction. The recent renewal of interest of Britain and America in proposals for their financial assistance to China may encourage France to do likewise.

Her commitments in Europe, however, may give France other considerations against her joining in a Pacific non-aggression pact. With Britain and the U.S.A. she is not so unfriendly as to call for such a preventive measure. On the other hand, an alliance with Japan would be a change quite out of the ordinary in French

diplomatic policy. Moreover, the common fear of Germany has brought France and Russia together in a pact of mutual assistance, which has further estranged Japan. There is every sign to show that France has again identified herself with that same block in Europe as had before the Great War opposed the Central European Powers with German domination. This general division of alliances among the Powers might persist likewise in pulling them in different ways regarding Far Eastern affairs. Thus a comprehensive collective pact for the East would be impossible, because it would include irreconcilable partners. For one thing, the French position would be incompatible with such an undertaking. For in the event of a conflict between Russia and Japan, France would be placed in a predicament, for she might give aid to one but alienate the other. After all, the main objective of French foreign policy is still Germany, and the Franco-Russian Pact seems to have sufficiently taken care of contingencies from that quarter. It is problematical whether France can take up further commitments in the East.

United States Skeptical of Further Pacts

For the formation of any collective security system for the Far East, the United States of America may be justly regarded as a centre of gravity. Half of her fortune, so to speak, is closely bound up with developments in the Pacific. It is, however, very uncertain whether she considers a Pacific non-aggression pact either practicable or necessary, though she may be quite sympathetic with the spirit in which it was proposed. As a sponsor and defender of the Kellogg Pact and the Four Power Pact, the U.S.A. certainly has seen enough of the havoc made of these international engagements to be disillusioned. However, she still has faith in them as sufficient guarantees of Far Eastern security, and desires to do her best to uphold them. If these pacts fail her, what is the use of devising other schemes with the same object? This seems to be the first American reaction elicited by the Australian proposal.

Then the traditional dislike of entangling alliances naturally holds the U.S.A. from a multilateral non-aggression pact. As a complicated system operating presumably against a possible aggressor, it is looked upon by her with disfavor. For it signifies that she will have to mobilize her naval forces, whenever necessary, to defend the pact, and to widen her defense areas in the Western Pacific. It is doubtful whether she is prepared to undertake these obligations.

Before the U.S.A. and Japan can proceed to negotiation on the non-aggression issue, certain causes for mutual misgivings have to be removed. While there is a growing common desire for cooperation in naval and trade matters between Britain and the United States, Japan, definitely committed to large-scale naval expansion, is the only Power that can touch severely American tender spots. It therefore seems expedient for the U.S.A. to maintain friendly relations with her so that no unnecessary troubles may arise between them. But the fact that the United States has also been engaged in the naval race, has rather estranged Japan, who has insisted upon getting armament equality. The Washington ratios will have to be reconsidered to comply with Japan's wishes. The question of fortifications in the Pacific must also be settled with her.

Without reaching an understanding with her other Pacific neighbors, the concluding by the U.S.A. of a non-aggression pact with Japan would most likely arouse suspicions especially on the part of China, Russia and Britain, as well as set up a general uneasiness. Indeed, Mr. Sato, former Japanese Foreign Minister, recently gave out something like a feeler by making a hint to the press that the Japanese Government would be willing to negotiate with the U.S.A. for such a pact. But so far this tip-off has remained nothing more than mere talk, and this for several reasons. As both the U.S.A. and Japan are out of the League of Nations, the pact would be at best a purely bilateral undertaking operating quite independently of any collective peace system. Thus it would look too much like an arbitrary disposition of their respective Pacific interests between the two nations, which might eventually lead to the admission, under the cloak of non-aggression, of Japan's claim for an Asiatic Monroe Doctrine.

One possibility, as sometimes given currency by the press, is that the United States might negotiate a non-aggression pact with Japan or a collective security agreement with the Powers in exchange for an accord guaranteeing the neutrality of the Philippine Islands. It seems, however, that the U.S.A. is not yet prepared to take any steps toward this objective. Until the coast is clear as regards the status of the islands, nothing definite can come about. Lastly, the question of "Manchukuo" might present another difficulty. The Japanese proposal, as referred to above, seems to have given Washington the impression that it was intended to cover up the desire of the Japanese Government for the recognition of "Manchukuo." It is quite reasonable to suppose that the Japanese Government might take the opportunity of offering a non-aggression pact to the United States on the condition of securing American recognition of "Manchukuo." But the impossibility of this condition is obvious. That the United States should throw over the Stimson Doctrine just to truckle to Japanese terms is not to be thought of.

Nanking, June 7, 1937.

Why Shouldn't China Fight Japan Now? ... A Reply to Mr. Pfeffer!

BY C. Y. W MENG 孟長洪

NATHANIEL Pfeffer, well known authority on Far Eastern affairs, in his article published in the June *Asia* magazine, advised the Chinese that "China Must Not Fight (with Japan) Now." This author points out that the "recent victory (meaning the battles with Japanese-Manchukuo forces in Suiyuan) has borne an overconfidence, a recklessness and an impatience to exploit the victory," and that "If they (the Chinese) do not pull themselves up they will repeat the mistake they made almost 10 years ago, with the same disastrous consequences." Mr. Pfeffer declares that "relative to 20 years ago, China is a giant, but when compared to a modern military state like Japan, it cannot be taken seriously." To him, it is better for China to accept the status quo. To him, China does not have to fight to save itself now, but if it will remain patient, "Japan's designs on North China may be self-defeating." To him, the Chinese race should "work, strengthen the nation, keep still, until 10 years later!"

China Has Already Exercised Extraordinary Patience

To refrain from coming into armed conflict with the Japanese, to exercise greater forbearance, and to remain patient, as advised by Mr. Pfeffer, has been precisely the course of action which has been followed by the Chinese since the failure of the League of Nations to do justice and to stop the Japanese aggression in China. The resolution regarding the Sino-Japanese relations adopted at the 5th National Kuomintang held in November 1935 provides: "Peace will not be forsaken by China unless there is no hope for peace, and the idea of sacrifice will not be lightly embraced until China is driven to the last extremity when sacrifice is inevitable."

General Chiang Kai-shek, in his speech delivered at the Plenary Session of the Central Executive Committee and Central Supervisory Committee of the Kuomintang on July 13, 1936, further defined the "limit" of the Chinese patience by saying that "the maintenance of China's territorial integrity is the determining point for sacrifice and struggle." He said: "China will never sign any treaty detrimental to her territorial integrity...If and when any nation should force China to sign any paper for the recognition of Manchukuo, that will be the time for China to make the supreme sacrifice...China will not be afraid to be another Abyssinia, if that is the only way to save the nation, but China will not be willing to be a second Abyssinia..."

This is what the Central Government urged the people to do during these trying years. So what Mr. Pfeffer advised China to do—to remain patient—China had already done to the best of her ability.

Turning to the Chinese intelligentsia, they also wanted to preserve peace with Japan, if possible; and they also advised their countrymen to remain patient. Dr. Hu Shih, a philosopher of international reputation, was one of the writers who agreed to sign the "Tangku Agreement" in May, 1934. (see *The Independent Review*, No. 53). In another article of his on "We Wait for 50 years from Now" (see the *Independent Review*, No. 44), he advised his countrymen to reckon with Japan after "50 years."

The late Dr. Ting Ven-kiang, China's foremost scientist, and formerly mayor of Greater Shanghai, in his article on "A Lesson from the Study of the Russian Diplomatic History," drew an analogy between the present crisis in China and that on the eve of the signing of the "Peace Treaty of Brest-Litovsk" by Russia with Germany; and this learned author also advised China to accomplish the unity first, and to free to Yuannan—Kusnetsh of China—before the Japanese aggression and to wait for a chance to set up a "return to Nanking," etc.

What Was the Result of 6 Years of Submission?

In other words, both the Chinese officials and intellectuals were of the opinion that under the then existing situation, China had to remain patient. But in view of the fact that the Japanese aggression in China is more intensified than ever before, the Chinese begin to doubt the policy of patience, and ask: What is result of 6 years of patience and submission?

To many, their answer is this: the six years of patience and submission only resulted in the further losses of one territory after another—first Jehol and then the Northern part of Chahar;

demilitarization of the whole of Eastern Hopei and the strategic "passes" along the Great Wall; signing of one "disgraceful agreement" after another—first the Tangku Agreement, then the "Ho-Umatsu Agreement," then the agreements on the Opening of Through Railway and Postal Service between Manchukuo and North China, etc.; creation of one puppet state after another—first Manchukuo, then "the Eastern Hopei Anti-Communist and Autonomous Government," then "Mongokuo" Japanese semi-control of Hopei and Chahar; rampancy of smuggling, etc.

To these people the more patient are the Chinese, the more aggressive will be the Japanese. The more "weak-kneed policy" is adopted by the Chinese, the more anxious will be the Japanese to conquer China. So to them, to resist the Japanese aggression is China's only hope of salvation.

China Awakens—Prepares to Resist

The Chinese intellectuals, in addition, further argued that although China is not able to recover the "lost territory" by force during the present time, the Central Government should—to sum up their arguments—accomplish the following during the period of patience:

1. To defend the territory which is still controlled from being lost to the invaders.
2. To make the invaders pay heavily for every act of their aggression.
3. To utilize the period of patience to build up national defence and to prepare for war with the invaders at an appropriate time, but not to devote almost whole attention to the so-called Anti-Communist-Bandit Suppression Campaign.
4. To make and convert the present national crisis, which is unparalleled in the history of the Chinese nation or any nation in the world, into a "blessing in disguise" and to effect the national unification through more political means.

These are the ideas that have been permeating China during the years after the signing of the Tangku Agreement; and this is what the people are urging their Government to do today. Apparently, after years of bitter experience, and years of struggle, these popular Chinese aspirations have gradually gained nationwide attention, sympathy and approval; and have now reached consummation in the complete abandonment of the so-called "non-resistance policy"; in the adoption of a policy of stiff opposition to any further invasion of the Chinese territory; in the cessation of the warfare in the country, which has been going on almost uninterruptedly for the past 10 years; in the taking up of national defence measures; and in standing firm and remaining "remarkably calm" before the Japanese "demands" and "threats."

In his article on "To Defend the Country with United Forces" (see *Ta Kung Pao* or *L'Impartial*, Tientsin Edition, dated November 17, 1935), Dr. Hu Shih pointed out that "no nation could fight unless she is first able to defend herself." Dr. Hu admitted that he was the "attorney for the defence" of the authors of the Tangku Agreement. At that time, he said, his reason was that "Although the Agreement could not cause the enemy to return us one inch of territory in the 4 Northeastern Provinces, nevertheless, at least, it should cause the enemy not to get any inch of territory outside of these Provinces." "But now," he said, "I am mistaken." He then expressed regret that during those two and one-half years, the Chinese have neglected all the defence works, so "we are unable to stop the invaders' ambition of getting one piece of territory after another."

This sums up how the former Chinese policy of "non-resistance" is now being displaced by the policy of "positive resistance," and how China is now busily preparing for defence, which Mr. Pfeffer regards as a desire to fight now.

"Resistance Against Japan"

To those who visit Shansi, generally known as China's first line of defence, it will also be realized that the "slogan" of the Shansi people is "守土抗戰," meaning "to defend the territory and to resist the attack." General Yen Shih-sen, in his many speeches, pointed out that the recovery of the lost territory is an important problem, and requires forces. "To attempt to recover the lost territory without measuring our own strength is dangerous," said the General. "But," he emphasized, "to defend the territory and to resist the attack is the duty of all people. We should not abandon an inch of territory, no matter what is the consequence." (For details, see the *Independent Review*, No. 238, P. 15, a dispatch from a visitor of Taiyuan).

If one will read carefully the many speeches of General Li Chung-jen and General Pei Chung-hsi (both are Kwangsi leaders) he will find that these leaders also urge "resistance." (See a pamphlet on "Speeches by Generals Li and Pei on National

Salvation through Resistance against Japan" 李總司令白副總司令抗日救國言論).

But this does not mean that the Chinese are forgetting what is lost, and are only defending what is left. No. The 460,000,000 Chinese always remember their Alsace-Lorraine. The 430,000,000 Chinese mourn day and night the loss of these beloved children, and they are sorry because of the sufferings of 30,000,000 others in the hands of invaders. This kind Mother is so anxious to take back these children that she can not eat in day time and can not sleep at night until her children are back.

But in order to recover these lost children, this kind Mother has first to exert greater protection to the rest of her children from being lost also. In order to fight, we have first to defend. In order to recover the lost territory, we have first to defend the territory which is under our control. So instead of saying that China will fight now, it is better to say that China will defend now, or resist now. Certainly, some foreign observers when they see that China, which engaged in internecine warfare for no less than ten solid years and did not pay much attention to national defence but is now going on with military preparations, take for granted that China is to fight now. But in fact, what China is doing at present is what Dr. Hu had said before—"no nation could fight unless she is first able to defend herself," or to resist the invasion.

China Will Not Fire the First Shot to Start the War But Japan Will

But when the whole situation is studied, the question is not "China must not fight now," but *Japan wants to fight with China now!* Mr. Peffer has been in Japan frequently. He probably knows that although the Japanese officials and diplomats talk very much about "co-existence" and "co-prosperity" between China and Japan, the Japanese, particularly the militarists, never cherish any of these ideals. The Japanese always believe that "a strong China is a danger to Japan," "Japan's existence is conditioned upon a weak China," "the Kwangtung Army (Japanese) are decidedly opposed to having nationalistically inclined China as Manchukuo's next door neighbor." Such psychological and traditional belief is the basic conception of the Japanese Continental Policy, and is one of the reasons for the "Manchurian Adventure." The Sino-Japanese history is full of instances of Japanese "meddling" in Chinese politics to block the Chinese national unification both under the former and the nationalist regimes.

Take another example of the prevailing Japanese psychology: Mr. Otani, correspondent in Tsingtao of the Department of Commerce and Industry, at a round-table conference of Osaka businessmen said, "Many industries which are now steadily rising in China will soon be a serious menace to Japan." (*North China Daily News*, November 25, 1936, P. 15). The development of the economic welfare of one quarter of the population of the world is certainly good news to the rest of the world. And yet, Japan considers it "a serious menace." What is true of the industrial development of China will be more true of the military development of China. When everything is considered as a "menace," everything is, of course, provocative. When Japan does not like to see a united and strong China, everything in China is a challenge to Japan. Not only the recovery of the "lost territory," and the regaining of the political power by the Central government in North China, etc., are provocative to Japan, but any act, other than submission and wholesale acceptance of the Japanese demands, is provocative. So the Chinese believe and predict that Japan will soon fire the first shot in her attempt to conquer the country before China becomes strong, or to put it in its usual terminology, "before it is too late." But as stated before, China is sure to return the fire whenever attacked. China then fights because there is no alternative, and because China has to fight for her national existence and preservation. This is how Dr. Hu Shih, in his letter to Mr. Murobushi, Editor of Japan's *Economic Monthly*, expresses himself on the same subject.

"...Should this nation with a population of four million be forced into a corner whence there is no way out, should she be subjected to such compulsion that she could no longer remain patient—when such a time arrived—she would then care for nothing, fight with jaws set, in the manner of a beast at bay, and let all the centers of industry and commerce, all the centers of culture and education be razed to the ground by aerial bombardment, by cross-fire of heavy artillery—by the warfare of the twentieth century....This 'havoc policy' of China would be employed to cope with that 'havoc' policy of Japan."... (see *The Review*, Vol. 75, No. 2, P. 52).

But this fight must be differentiated from a fight started by China arising from her desire to fight now.

No Miscalculation of Strength and No Over-Confidence

Mr. Peffer pointed out that the eagerness on the part of the Chinese to exploit the victory is due to "over-confidence" and "miscalculation of strength." Our learned author probably has forgotten the famous Chinese teaching which reads: "驕則

必敗," meaning "to be proud is to invite defeat." Such teaching has been handed down from time immemorial, and has been regarded as one of the important maxims by the military officials and soldiers, even up to present day. The Chinese never feel proud over the victory in Suiyuan; nor have the Chinese "underestimated" the military strength of the aggressor. When the Chinese generals speak concerning the successful resistance against the invasions, one will note that they always remind the Chinese that this is only the beginning of the resistance and the start of major warfare. In concluding their speeches, they always urge the Chinese people to work harder for the greater decisive fight to come, and this famous maxim is always used to remind those who have returned from the battlefields. So we can say that there is absolutely no pride, no miscalculation of strength on our part, nor of the enemy's—and no over-confidence.

Nanking, June 19, 1937

Soviet Ambassador Addresses Sino-Soviet Cultural Society

The Sino-Soviet Russian Cultural Society of Shanghai held an international gathering at the Isis Theatre June 19 in memory of Maxim Gorki, the great Russian writer who died a year ago at the age of 68 years. Dr. J. Usang Ly, President of the Society, presided and Prof. Hu Yu-chi spoke on the life and work of Gorki after a brief address by D. V. Bogomoloff, the Soviet Ambassador. Ambassador Bogomoloff in the course of his speech said that Gorki furnished a good example of a meeting point of the national and the world's literatures. He said he was deeply convinced that the world's culture and the world's literature were not just an arithmetical sum of several items of separate national cultures and literatures, but consisted of the greatest works of national literatures, of the works which reflect the progressive development of *humanity*, the progressive development of the individual, and of the decisive epochs in the life of nations.

Fifteenth Anniversary of Chen Chiung-ming Coup Celebrated at Memorial Service

The fifteenth anniversary of the coup at Canton of Chen Chiung-ming, which forced the late Party Leader, Dr. Sun Yat-sen, to take refuge on the gunboat *Wing-fung* in the Pearl River, was observed at a memorial service at Central Party Headquarters in Nanking June 16. More than 700 officials were present. President Chu Cheng, who presided, recalled the circumstances under which the revolt of Chen Chiung-ming took place. Despite the danger to his life, Dr. Sun Yat-sen faced the situation with perfect equanimity to the amazement and astonishment of the nation. Dr. Sun's sterling character enabled him to defeat the rebels, President Chu continued. The Kuomintang is constantly confronted with danger. But as the proverb says, nations are revived through adversity. In this connection, President Chu recalled the courage and greatness manifested by General Chiang Kai-shek during the Sian revolt last December.

General Chiang Kai-shek Attends American School Concert at Kuling

General Chiang Kai-shek, Gov. Hsung Shih-hui of Kiangsi, and numerous other officials on a recent Sunday were present at a special concert given at Kuling by the American School Orchestra, (widely-known group of 31 musicians) trained by Miss Margaret Shelley, concert violinist. The Chinese national anthem was included in the program. General Chiang Kai-shek spoke a few words at the close of the concert, complimenting each player individually and remarking on the appropriate decorations—pictures of Sun Yat-sen and George Washington set side by side. He expressed the hope that foreigners in China would seek to understand their foster land and to cooperate for international welfare.

Death Occurs in Hongkong of Madame Wu Ting-fang at Age of 91 Years

The death occurred at Kowloon, Hongkong, June 17, at the age of 91 years of Madame Wu Ting-fang, widow of the late very well-known diplomat and statesman, Dr. Wu Ting-fang, and mother of another well-known diplomat and statesman, the late Dr. C. C. Wu. Both husband and son held the posts of Minister of Foreign Affairs and Minister to Washington during their lifetime. Madame Wu is survived by three grandsons and five grand-daughters. Madame Wu came from one of the earliest Chinese Christian families in south China, her brother being the late Hon. Dr. Ho Kai, who was a member of the legislative Council of Hongkong for nearly a quarter of a century.

\$3,778,000 from British Boxer Board; U.S. \$350,000 from Rockefeller Foundation—for Education

The Board of Trustees for the Administration of the Indemnity Funds Remitted by the British Government at its meeting held in Nanking on June 12, adopted resolutions whereby \$3,778,000, being the interest receipts of the Board for the fiscal year 1936-1937, were appropriated as grants and subsidies for educational and cultural enterprises.

Regarding requests for subsidies and grants for the year 1936-37, altogether 142 requests had been received involving a total of \$13,619,807, and \$22,851. Interest receipts of the fiscal year that may be disposed amount to \$3,500,000. According to the percentages allotted to the various classes of education and cultural enterprises of the Board, the distribution was decided upon as follows.

Class A. At the rate of 25 per cent and from a total of \$3,500,000, \$875,000 was available to this class. According to the previous resolution of the Board, the funds shall still be disposed of to the following three enterprises:—

1. Subsidy to the Committee for Subsidizing the Preservation of Historical and Cultural Objects of Antiquity, \$100,000.
2. National Central Museum, for construction, \$387,500.
3. National Central Library, for construction, \$387,500.

Class B. At the rate of 35 per cent and from a total of \$3,500,000, \$1,225,000 was available to this class. According to the previous resolution of the Board, it was decided that \$388,000 be disposed for the continuation of the following grants:—

1. National Central University, for equipment of its departments of mathematics and mechanical engineering \$30,000.
2. National Shantung University, for equipment of its departments of physics and chemistry \$20,000.
3. National Peiyang Engineering College, for equipment of its department of mining \$20,000.
4. Provincial Honan University, for construction and equipment of its colleges of agriculture and medicine \$50,000.
5. Provincial Yunnan University, for the equipment of its college of science \$40,000.
6. Provincial Kwangsi University, for the equipment of its departments of agriculture, mining, physics and chemistry \$20,000.
7. Provincial Shansi College of Technology, for the equipment of its pottery works \$15,000.
8. College of Engineering Practice, Peiping, for expenses in its research and experiment in rural industrial enterprises \$10,000.
9. University of Nanking, for its colleges of agriculture and science \$20,000.
10. West China Union University, for construction of its clinical hospital \$25,000.
11. Lingnan University for construction and equipment of its Sun Yat Sen Medical College for a course in public health \$20,000.
12. Nantung College, for its investigation on cotton diseases, insect damage, and reclamation of alkali soil in northeast Kiangsu \$10,000.
13. National Agricultural Research Bureau of the Ministry of Industries, for professorships on fertilizers and veterinary science \$20,000.
14. Central Field Health Station, for professorship \$10,000.
15. National Association of Vocational Education of China \$15,000.
16. Society for Chinese Architectural Research, for compilation and publication \$18,000.
17. Chinese Institute of Engineers and other scientific associations for the construction of their joint building \$45,000.

New Requests Considered

There remained a balance of \$837,000 for the disposal. Of this amount it was decided that a portion of the funds be set aside for enterprises to be sponsored directly by the board.

The following distribution was decided upon:

1. Academia Sinica, for equipment, \$150,000.
2. National Academy of Peiping, for equipment, \$90,000.
3. National Sun Yat Sen University, \$150,000, of which \$60,000 is for the construction of its astronomical observatory.
4. National Wuhan University, \$150,000 of which \$30,000 is for professorship, \$25,000 for construction expenses of its college of engineering.
5. National Chekiang University, \$150,000, of which \$30,000 is for professorship; 120,000 for the construction expenses of its college of science.
6. National Peking University, for the equipment of its departments of physics and chemistry, \$90,000.
7. National Tung Tsi University, for the equipment of its college of science, \$90,000.
8. National Peiping Normal University, for equipment of its department of Geography, \$20,000.

9. College of Engineering of the National Peiping University, for equipment of its textile engineering department, \$10,000.

10. National Shanghai Medical College, \$50,000 for construction and professorship.

11. National Chung Chen Medical College, \$60,000 for equipment.

12. Provincial Anhwei University, for construction and equipment of its college of science, \$45,000.

13. Women's Normal College of Hopei, \$45,000 for equipment of its department of home economics.

14. Hopei Provincial Medical College, \$20,000 for equipment.

15. Honan Provincial Hydraulic Engineering College, \$30,000 for equipment.

16. Nan Kai University, \$90,000.

17. Yenching University, \$60,000, of which \$50,000 is to open a course in modern greats and the engagement of professors.

18. Amoy University, for construction of book stacks of its library, \$40,000.

19. Cheeloo University, \$30,000 of which \$20,000 for equipment for its college of medicine.

20. Hua Chung University, for equipment of its college of science, \$40,000.

21. Ginling College for Women, \$10,000 for the equipment of its department of geography.

22. Tsiao Tso College of Engineering, \$20,000 for construction of its ore testing department and library.

23. Hsiang Ya Medical College, \$40,000 for equipment.

24. Hunan Geological Survey, \$45,000 for construction and equipment.

25. Honan Geological Survey, \$30,000 for construction and equipment.

26. Institute of Biology of the Sciences Society of China, \$30,000 for equipment.

27. Committee for the Observation of Solar Eclipse \$30,000 for equipment.

28. Botanical Garden of the Sun Yat Sen Mausoleum Park, \$30,000 for the expenses of a horticulturist.

29. Lushan Arboretum & Botanical Garden, \$10,000 for construction and equipment.

Geographic Research Institute

The amount allotted during the 1936-37 fiscal year for these 29 grants being \$605,000, there remained a balance of \$232,000; and, apart from the balance of \$2,000, it was decided that the \$230,000 be utilized for the following enterprises directly sponsored by the Board:—

1. Initial expenses for a Geographic Research Institute, \$50,000.
2. Expenses for foreign professors and experts from abroad, \$95,000.
3. Expenses for Chinese professors \$85,000.

Owing to the lack of funds and facilities of communications, universities and institutions of higher learning in the interior or in remote frontier provinces very often find it difficult to secure professors. To assist these institutions, Chinese professorships will be provided by the Board and donated to these universities and institutions. It is hoped that this will accelerate the development of education in the interior which has lagged behind in many respects.

In regard to the above three enterprises it is decided that Messrs. Chu Chia-hua, Li Shu-hua, Li Szu-kuang, J. B. Tayler, and Han Lih-wu be requested to study the matter and that a Science Planning Committee be organized.

Class C.—At the rate of 15 per cent and from a total of \$3,500,000, \$525,000 was available to this Class. As the funds required for the sending of students abroad during the 26th fiscal year are \$455,000 the balance was disposed of as follows:—

1. Mei Fang Girls' Middle School, Hongkong, for construction, \$30,000 to be paid in three annual instalments of \$10,000 each as from the 26th fiscal year.
2. Chung Hwa School, London, \$10,000, to be paid in the 26th fiscal year.
3. Reimbursement of funds previously advanced to meet deficiency in scholarship expenses, \$50,000.

Class D. At the rate of one per cent and from the total of \$3,500,000, \$35,000 was available to this class.

Class E. At the rate of 24 per cent and from the total of \$3,500,000, \$840,000 was available to this class. \$580,000 was distributed for the continuation of the following grants:—

1. Special Education in the five provinces of Kiangsi, Hupeh, Anhwei, Honan, and Fukien \$400,000.
2. National Central School of Technical and Vocational Education for equipment \$150,000.
3. Ming Deh Middle School, Hunan, for construction of its gymnasium \$20,000.

(Continued on page 138)

China's Territorial Integrity Stressed by Wang Chung-hui; Gen. Chiang to Summon Conference at Kuling

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. Foreign Minister Wang Chung-hui Interviewed on Sino-Japanese Relations.
2. Importance of Nationalising Armed Forces in China Emphasized by Gen. Ho.
3. Dr. H. H. Kung Arrives in America, Will See President Roosevelt.
4. Gen. Chiang and Wang Ching-wei Will Summon Nation's Leaders for Conference.
5. Chow En-lai and Gen. Chiang's Son Said Conferring on Rebuilding Chinese Red Army.
6. Many Officials Assemble at Kuling; Hupeh Chairman to Direct Summer Training.
7. Serious Fighting Said Started Between Volunteers and Irregulars in North Chahar.
8. Nanking's Protest Against Unauthorized Tokyo-Tientsin Air Service Unanswered.

Sino-Japanese relations were discussed at length by Dr. Wang Chung-hui, Minister of Foreign Affairs, at an interview with a group of Japanese journalists on the 18th inst. A translation of the interview as circulated by *Kuo Min* follows:—

Question.—"What is Your Excellency's opinion of the Konoye Cabinet?"

Answer.—"So far as we know, Prime Minister Konoye is a popular leader in Japan. He is familiar with both the internal and external situation and is firmly supported by the Japanese people. In organizing the present Cabinet, he is certain to fulfill expectations both at home and abroad. The views which Prince Konoye has expressed in the newspapers—such as his proposal for the dissipation of suspicions and hostile sentiments and misunderstandings between the Chinese and Japanese authorities and people with a view to readjusting Sino-Japanese relations, and his advocacy of sympathy and concrete assistance to the Chinese in establishing a new China—are undeniably correct."

Q.—"What are Your Excellency's views on Foreign Minister Hirota's diplomatic policy vis-a-vis China?"

A.—"The name of Mr. Hirota, the veteran diplomat who has again taken up the portfolio of Foreign Minister, is well-known in China. His address on foreign policy made on January 23, 1935—in which he advocated a policy of non-aggression and non-menace in foreign relations, and the adoption of a 'good neighbor' policy with a view to realizing a rapprochement with China—is still fresh in our memory. We earnestly hope that he will enforce these principles at an early date."

Q.—"Ambassador Kawagoe will return to his post shortly. Is China making preparations for negotiations for the readjustment of Sino-Japanese relations after Ambassador Kawagoe returns to his post? If so, what is China's fundamental policy?"

A.—"The foreign policy of China has been clearly enunciated in the manifesto of the Third Plenary Session of



Dr. Wang Chung-hui

the C. E. C. (February, 1937) as well as in the statement I issued upon my assumption of office. I am ready to exchange views with the Japanese authorities at any moment. After his return to his post, I shall be very glad to learn Ambassador Kawagoe's views."

Q.—"It is reported that since the opening of Sino-Japanese negotiations last year, China has stiffened her attitude towards Japan. What is the actual situation?"

A.—"The foreign policy of China is traditional, the aim of which is to seek national existence and co-existence with the rest of the world. There is no such thing as softening or stiffening our attitude."

Q.—"If it is impossible to readjust political relations between China and Japan, will China reject the policy of Sino-Japanese economic cooperation?"

A.—"With reference to the readjustment of Sino-Japanese relations, China is not insisting on the settlement of any particular problems as a prerequisite. As a matter of fact, however, the various issues pending between the two countries are involved with political questions. If we proceed with the solution of other problems while political questions are not yet solved, I fear that we can hardly obtain any satisfactory results. This is a question of fact, not theory."

Q.—"What is the policy of the National Government concerning the political and economic problems of North China? If the questions of eastern Hopei and smuggling are not solved, will Sino-Japanese economic cooperation in North China be impossible? If these problems are solved, will it be possible to anticipate the solution of the various other pending issues and the restoration of normal relations between our two countries?"

A.—"So long as the question of smuggling in eastern Hopei is not solved, the political and economic administration in North China can not be integral. Under such circumstances I fear that the enforcement of any new political and economic measures will not easily achieve results. When these problems are satisfactorily solved, it will not be difficult to restore normal relations between the two countries and the various other issues will be easily solved."

Q.—"Of late China has been fostering the spirit of resistance against Japan. This move has antagonized the Chinese against the Japanese. It has not only given rise to unfortunate incidents in various parts of the country but also aroused great indignation among the Japanese people. This seems to be contrary to Your Excellency's idea of 'harmonizing the sentiments of the Chinese and Japanese people.' What is Your Excellency's opinion?"

A.—"Harmonizing the sentiments of the two peoples' is really important. However, efforts in this direction should be simultaneously made in both countries. We must not place the responsibility on one party only. So far as I know, China has not advocated recently the adoption of an anti-Japanese policy. However, should China be invaded, no matter by which Power, our people are prepared to resist."

Q.—"Are negotiations proceeding between China and Great Britain? How far have they proceeded?"

A.—"The present relations between China and Great Britain are the same as in the past. Various ordinary issues are being dealt with in accordance with the normal diplomatic procedure."

Q.—"What is China's attitude towards the Anglo-Japanese negotiations?"

A.—"The scope of the Anglo-Japanese negotiations must be very wide and not confined to the question of China. However, should Japan and Great Britain reach an understanding concerning China, they should in the first place, respect China's territorial sovereignty and administrative integrity and, secondly, consult China and secure China's agreement. I firmly believe that both parties are of the same opinion as myself as regards the negotiations."

Q.—"With reference to the abolition of Consular jurisdiction (extra-territoriality), will negotiations be opened in the near future with the various countries concerned? What is the actual situation?"

A.—"The abolition of Consular jurisdiction is the traditional policy of the Kuomintang. The Government is ready to enforce it at any moment. Preparations are being made at present."

Q.—"Are negotiations proceeding for the conclusion of a Sino-Soviet commercial treaty?"

A.—"Negotiations for the conclusion of a Sino-Soviet commercial treaty, similar to the conclusion of commercial treaties between China and other countries, may be opened at any time."

Q.—"It is reported that active measures are being employed to place North China under the control of the Central Government. Is due consideration given to Japan's position in North China?"

A.—"The provinces in the North, like the other provinces, being Chinese territory, the law and ordinances of the State should be enforced there as in other parts of the country. This is the natural phenomenon in any modern unified state and should not arouse astonishment. The legitimate interests of foreign countries in China will of course be respected."

Q.—"What are your hopes of Japan?"

A.—"I hope that Japan will respect China's territorial sovereignty and administrative integrity, and in accordance with the spirit of equality and reciprocity and normal diplomatic procedure, seek the readjustment of Sino-Japanese relations."

Q.—"Is the world heading towards peace or war? What is Your Excellency's opinion?"

A.—"There are at present obviously two forces in the world, one working for the maintenance of peace and the other uncon-

sciously hastening to the next war. The development of these two forces will decide the fate of the world, whether for peace or for war. The Chinese people love peace. For the sake of the civilization of the world and the welfare of mankind, we fervently hope that the forces working for peace will overcome all difficulties.

Q.—“For the consolidation of Far Eastern peace, does Your Excellency consider it necessary to convene a special conference?”

A.—“If such a conference is attended by all the countries concerned and discusses all problems in harmony and cooperation, it will certainly be beneficial to Far Eastern peace.”

Q.—“It is reported that the Prime Minister of Australia submitted a proposal to the British Imperial Conference for the conclusion of a non-aggression pact between the various countries on the Pacific seaboard. What is Your Excellency's opinion?”

A.—“The proposal of the Australian Prime Minister is worthy of consideration. However, details have not yet been revealed.”

Q.—“The fundamental policy of Japan via-a-vis China re economic cooperation is based on free and satisfactory trade in raw materials and manufactured articles. What is Your Excellency's policy in this connection?”

A.—“For geographical, cultural and other reasons, China is extremely willing to enter into economic cooperation with Japan provided it be mutually beneficial. When the present political obstacles are removed it will not be difficult to realize such cooperation.”

Q.—“According to latest reports from various places, feelings between Chinese and Japanese (especially in North China) are worsening. Should this situation be allowed to go on unchecked, a dangerous situation will be created. What is Your Excellency's opinion?”

A.—“These reports perhaps exaggerate the actual situation. However, any antagonism between the people of the two countries should indeed be avoided. I hope that both countries will cooperate in removing such obstacles.”

Q.—“What is Your Excellency's opinion on the readjustment of Sino-Japanese relations?”

A.—“The improvement of Sino-Japanese relations has always been my aspiration. Several years ago before my assumption of office as Minister of Foreign Affairs, I made some effort in this direction. Now that I am Minister of Foreign Affairs, I will of course do my utmost to realize this wish. However, the readjustment of the relations between the two countries will have to depend on the concerted efforts of both countries.”

Q.—“According to a resolution adopted by the Third Plenary Session of the C. E. C., the political situation in North China should be settled in a short period. In this connection, is your country ready to open active negotiations with Japan, or will your country wait for a more opportune moment and adopt a watchful attitude for the time being?”

A.—“No matter what method is adopted for the solution of the so-called political problems in North China, they will not be difficult of solution if Japan is determined to seek such solution.”

Q.—“Ambassador Kawagoe will return to Nanking in the latter part of June bringing with him a new policy vis-a-vis China based on the principles of equality and reciprocity. What are Your Excellency's hopes and views?”

A.—“I entertain great hopes regarding Ambassador Kawagoe. If the new instructions brought back by Ambassador Kawagoe are really based on the principles of equality and reciprocity, I firmly believe that it will not be difficult to readjust Sino-Japanese relations in a short period.”

Q.—“Are there methods for the readjustment of Sino-Japanese relations? If so, what are they? Generally speaking, what method should be adopted for the solution of the present difficult situation?”

A.—“I do not consider it a difficult task to readjust the present difficult relations between China and Japan. It will not be difficult to solve the situation if both parties mutually respect the territorial sovereignty and administrative integrity of each other and negotiate strictly in the spirit of equality and reciprocity. As to the procedure, I think that we should start with the easier problem, gradually proceeding to the more difficult.”

Q.—“It is reported that China regards the abolition of the eastern Hopei regime as an absolute condition for the readjustment of Sino-Japanese relations. Is this true?”

A.—“We have not designated any particular problem as absolutely prerequisite for the readjustment of Sino-Japanese relations. However, the existence of the puppet regime in eastern Hopei is injurious to China and not beneficial to Japan. This is one of the simplest and easiest problems for solution. If such a simple problem cannot be satisfactorily solved, it will of course be difficult to proceed with the more complicated problems. This fact is obvious.”

Q.—“Despite the expansion of the revenue guards, the complete suppression of smuggling, before the restoration of normal relations between China and Japan, is not only impossible but may also lead to unexpected incidents between China and Japan. Is China contemplating the reduction of the Customs tariff?”

A.—“Smuggling not only reduces China's revenue but also adversely affects Sino-foreign trade. Even legitimate Japanese merchants also suffer. It is absolutely proper for the Chinese

Government to adopt suitable measures for the prevention of smuggling. We cannot imagine how this can lead to expected incidents. As to the import tariff question, the rates may be readjusted by any country at any moment in accordance with the necessities of the situation. However, illegitimate merchants should not treat smuggling as a weapon for the reduction of the tariff.”

Q.—“What hopes does Your Excellency entertain towards the Japanese people?”

A.—“I hope that the Japanese people will have a correct understanding of the new China and the cause of the disputes between the two countries during recent years. I also hope that the Japanese press will avoid the publication of comments arousing ill-feeling and give more space to articles favorable to the promotion of Sino-Japanese friendship. In this manner, the difficulties in the readjustment of the relations between the two countries by diplomatic means will be considerably reduced.”

DR. WANG'S STATEMENTS SCORED BY “SHANGHAI NIPPO”

Attention to the failure of Dr. Wang Chung-hui to indicate the ways whereby the diplomatic deadlock between Japan and China could be solved was drawn June 20 by the *Shanghai Nippo* in an editorial analyzing the statements made by the Chinese diplomat in an interview with Japanese newspapermen. The declarations of Dr. Wang, the Japanese daily said, “served only to accentuate the impression that Sino-Japanese relations were faced by an impasse.” “There was nothing constructive in his statements,” the paper continued, stating that the Foreign Minister had “simply expressed as his policy the sentiments of the Chinese people towards Japan.” “We cannot fail to suspect that his declarations were made with the purpose of impressing the Japanese people that China's attitude towards Japan had stiffened,” the *Nippo* said, remarking that, in sum, Dr. Wang had merely expressed platitudes as elemental as: “When a dog looks to the East, his tails points to the West.”

Summarized, Dr. Wang's statements, in the opinion of the *Nippo*, emphasized that:

1. The readjustment of Sino-Japanese relations was impossible, even in the economic field.
2. China is perfecting her war machine against Japan.
3. China is awaiting the opportunity to demand of Japan the abolition of the East Hopei regime and to insist upon other so-called “territorial integrity” issues.

“We feel that China has no intention of seeking a readjustment of relations, but is awaiting for Japan to show signs of impatience to make demands upon Japan by utilizing the opportunity thus offered to do some diplomatic bargaining by insisting on the principle of equality and mutual concessions,” the paper asserted.

Japan should cease her efforts at securing a rapprochement with China until the latter realizes the need for Japanese friendship, the *Shanghai Nippo* declared June 19 in an editorial entitled “Stop Abusing Goodwill.”

Interviewed June 22 by the Tokyo correspondent of the *Central News Agency*, S. Kawagoe, Japanese Ambassador to China, declared that he was scheduled to leave for China on June 25. Mr. Kawagoe further declared:

1. Japan is not eager to resume Sino-Japanese negotiations immediately but hopes that the atmosphere in China will improve so that negotiations may be resumed.
2. It is very difficult to reach any satisfactory conclusion of the political issues which China wants to negotiate at the present time.
3. If Sino-Japanese negotiations be resumed at the present time, it will be only an attempt to discuss the problems which have already been discussed before.

According to a *Reuter* message, Hsu Shih-ying, the Chinese Ambassador to Japan, interviewed General Chiang Kai-shek, President of the Executive Yuan, at 11 a.m. June 19 and asked for instructions on China's foreign policy after his return to Japan.

IMPORTANCE OF NATIONALIZING CHINA'S ARMED FORCES STRESSED BY GEN. HO

Citing Japan's rise to power as an object lesson, Gen. Ho Ying-chin, Minister of War, made an emphatic declaration that the nationalization of all armed forces in China was essential to the success of national rejuvenation. Speaking at the Central Kuomintang Headquarters at the weekly Sun Yat-sen memorial meeting in Nanking June 21, Gen. Ho dwelt lengthily upon the abolition of the Japanese feudal system in 1868 which made the Meiji Restoration and subsequent transformation of the Island Empire into a modern state successful. Before the Meiji era, Gen. Ho reviewed, Japan too had incessant civil wars and suffered foreign encroachments. But an enlightened monarch wiped away the shogunate and brought the military forces under the direct control of the Central Government. It was then, Gen. Ho said, that reconstruction and abolition of extraterritoriality were accomplished. China is ready, the War Minister asserted, for unification and rejuvenation, and it is essential now for the readjustment and

centralization of all military forces. Up to the present, Gen. Ho pointed out, the enormous Chinese army has been weak on account of lack of uniform organization and equipment, as well as lack of efficiency in training and discipline. The Central authorities, Gen. Ho announced, have decided to readjust and nationalize the armed units in the country. One of the first moves in nationalization of the armed forces he said, was the reorganization of the ex-Northeastern army and the establishment of the Military Affairs Readjustment Commission for Honan, Anhwei and Kiangsu. Gen. Ho expressed the hope that the readjustment of the Szechwan and Sikong troops would also prove successful.

GEN. CHIANG'S SON AND CHOW EN-LAI ALLEGEDLY CONFERRING ON REBUILDING OF RED PARTY

Chiang Ching-kuo, son of General Chiang Kai-shek, who recently returned from a period of study in Russia, is conferring with Chow En-lai, vice-chairman of the Revolutionary Military Council of the Chinese Soviet, regarding means to rebuild a legalized Chinese Communist Party, according to a report published in the *Shanghai Mainichi*, June 17. The reorganized Communist party, the *Mainichi* said, would be radically different from that which created the Chinese Soviet Government in Juikin, Kiangsi, and would abandon the tenets that it advertised previous to the Sian coup of Dec. 12 last year. "Gen. Chiang feels," the paper continued, "that so long as the Communist party intends to go along with the Kuomintang in creating a new nation, there are no grounds for opposition."



Chow En-lai

who was said to have flown to Kuling in company with "another Communist," is endeavoring to rebuild the Communist party so that it would not have to bow to the dictates of the Kuomintang at the National People's Congress on Nov. 12 this year, according to the *Mainichi*. Unless they regain their strength by then, the paper pointed out, the Reds would be heavily outnumbered by the Nationalists. Other subjects being discussed between Chow and the Generalissimo, the journal added, included the selection of Communist delegates to Congress, the adoption of a joint resolution by all factions and the pacification of revolting Mohammedans in Sinkiang.

SEVEN SALVATIONISTS PLEAD FOR IMMEDIATE DISMISSAL OF THEIR CHARGES

In an attempt to prove that their political activities were not directed against the National Government, the seven leaders of the All-China National Salvation Association filed June 22 a new petition with the Kiangsu High Court, at Soochow. The 1,500-word document, which followed the first petition they submitted to the tribunal on June 8, pleaded for the immediate dismissal of the charges of undermining the security of the state, on which the six men and one woman are being tried. Filed through the 21 lawyers engaged in their defense, the petition stated that the chief object of the Salvation Association was to awaken the Chinese people against the political and economic encroachment of Japan. At no time, the document continued, did the seven accused or other members of the association attempt to stir up agitation aimed at undermining the security, unity or the dignity of the National Government. Instead, the petition is stated to have pointed out, the political views held by the leaders of the Salvation Association seemed to coincide with the opinion of the high Government officials. Concluding, the petition argued that it appeared that the association was advocating the same policy pursued by the Government. The only difference, it stated, was that the Salvationists desired to have the urgent measures put into effect immediately. The trial of the seven accused was scheduled to re-open on June 25 before three new judges, headed by Chief Judge Chu Chung-chow. The change of judges was made following an application made by the accused.

DR. H. H. KUNG ARRIVES IN U.S.A., WILL SEE PRESIDENT ROOSEVELT

Dr. H. H. Kung, China's Vice-President of the Executive Yuan and Minister of Finance, arrived at New York June 21 from Europe on board the *Queen Mary*. Shortly after arrival, the Chinese statesman received New York newspapermen at the Waldorf Astoria Hotel where he is stopping. During the interview Dr. Kung said that he must seize the first opportunity in thanking President Franklin D. Roosevelt, Secretary of Treasury Henry Morgenthau, and other officials for the co-operation extended to China when her currency reform measures were introduced in November 1935. "I am gratified about the happy state of these

reforms which have been carried out smoothly and has proved immensely successful," he said. Continuing, Dr. Kung said that he regards America as his second home. "I have spent several of my most pleasant years here when I was attending college. My last visit to this country was five years ago and I am almost certainly glad to be back again." Regarding the political and economic situation in China, Dr. Kung stated that during the recent years China has not only achieved political unity but also financial stability. My country went through the most severe test last year, but she emerged triumphant. At the present time, she is carrying out a new five-year plan of economic reconstruction and industrial development. This explains why the Chinese Government has charged me with the mission of conducting a study and investigation into the industrial and economic development in Europe and America after the Coronation ceremonies in London. Sino-American friendship, Dr. Kung continued, has been traditionally cordial. This is largely due to the fact that our people have always entertained a mutual respect for each other, he pointed out. The friendly relations between China and the United States, he explained, has not only proved beneficial to both countries but has become a bulwark for peace and stability in the Pacific area.

Dr. Kung left New York for New Haven July 22 where he was to receive an honorary L. D. degree from the Yale University at a ceremony July 24. He will proceed to Washington June 25 when he will be received by President Roosevelt. He will also confer with Mr. Morgenthau. According to his present plans Dr. Kung will sail from New York for Europe on July 7. He will go to Nauheim for a brief rest and medical cure before returning to China.

ARTHUR YOUNG DENIES REPORT OF SINO-BRITISH LOAN OF £10,000,000

Arthur N. Young, adviser to the Ministry of Finance, June 21 denied emphatically a report published in the *Shanghai Nippo* to the effect that China is negotiating for a loan of £10,000,000 or about \$170,000,000 with the British authorities and that as soon as Dr. H. H. Kung returns to England from America the loan agreement would be signed. The Japanese report further stated that the loan would be used for the reorganization of the Central Bank of China as well as the payment of interests on domestic and foreign loans. The *China Evening News* reported that the Japanese report is entirely groundless.

CHIANG AND WANG WILL RECEIVE NATION'S LEADERS AT KULING

Gen. Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission, and Wang Ching-wei, Chairman of the Central Political Council, will meet the nation's leaders in various fields at Kuling in July next, according to *Central News*. These leaders, representing the cream of China's talents in their respective spheres, will be received by Gen. Chiang and Mr. Wang in three batches, each of the batches being given eighteen days. The representatives will be divided into seven groups, party, political, military, agricultural, industrial, commercial and educational, according to their callings. Each group will have a leader.

The Central authorities are taking steps to ensure that writings on Gen. Chiang Kai-shek stick absolutely to facts. Biographical as well as critical writings on the Generalissimo, it is learned, are required to be submitted to the Central Publicity Department for approval before publication. A ruling to that effect was sent out by the Central Kuomintang Headquarters to Party organs throughout the country June 17. The Generalissimo will then give personal consideration of the manuscripts submitted.

Rallying to the call of Generalissimo Chiang Kai-shek, 687 university and college students have signified their willingness to do rural welfare work during their summer vacation, according to information from the National Association for the Promotion of the New Life Movement. Representing 23 institutions of higher learning, these students will leave for their respective fields of activity early in July.

GEN. FENG YU-HSIANG ARRIVES IN KULING

Feng Yu-hsiang, Vice-Chairman of the Military Affairs Commission, arrived at Kuling from Nanking June 18, according to a *Central News* report. Gen. Feng called on Gen. Chiang Kai-shek, June 19. Interviewed June 20 regarding the significance of the various kinds of special training to be given to public functionaries and educational workers at Kuling during the summer vacation, General Feng said:

"Such training has a vital relation to the State. For the public functionaries of the Government, having worked continuously over a number of years, have, like machines, become tired and 'rusty.' The aim of the training is to rub off the rust, readjust the machine, and pour into it some new blood with a view to increasing its effectiveness. In Europe and America, summer conferences are held in order to provide a much-needed rest following a year's work and an opportunity for reviewing the work of the past year, so as to enhance the efficiency of the work in the future. Herein lies the significance of the summer training which the Central authorities have enforced in the past few years."

HUPEH CHAIRMAN MADE HEAD OF SUMMER TRAINING CORPS AT KULING

General Huang Shao-hsiung, Chairman of Hupeh, arrived at Kuling from Wuchang via Kiukiang June 20 to see General Chiang Kai-shek and seek instructions concerning the preparations for summer training at Kuling. General Huang will remain at Kuling throughout the summer, being appointed head of the summer training corps by General Chiang.

Two new provincial chairmen will be among the large group of government officials coming early next month to see Gen. Chiang Kai-shek at Kuling. They are Lieut.-Gen. Sun Wei-ju of Shensi and Liu Shang-ching of Anhwei. Both are expected to arrive here around July 4.

WANG CHING-WEI CONFINED BY HEART ATTACK

Wang Ching-wei, chairman of the Central Political Council, suffered a heart attack in Nanking at lunch time June 17. He is now confined to his room, having been ordered to bed for a few days by his private physician and Dr. Chi, of the Central Hospital. Mr. Wang, his physicians believe, has overworked himself recently, and was probably tired after his trip to Hangchow. He is now resting comfortably, and no anxiety is felt over his condition.

The condition of Mr. Wang is improving, according to a *Central News* report June 21. He is, however, still suffering from gall bladder disease and jaundice which affects the heart. His physicians have strongly advised him to stay in bed in order to hasten his recovery. General Chiang Kai-shek and Madame Chiang have sent two telegrams to Mr. Wang from Kuling, inquiring after the latter's health. Mr. Wang replied that if his condition continues to improve, he will proceed to Kuling as originally planned.

THE KULING CONFERENCE AND THE RELEASE OF POLITICAL PRISONERS

Dwelling on the subject of the forthcoming meeting at Kuling this summer, the *Tien Hsia Daily News*, in a leading editorial June 21, stated:—

"The situation in China has definitely taken a turn for the better, as a result of several months' strenuous efforts made by the Government in accordance with the principle adopted at the 3rd. Plenary Session, namely unity and resistance against aggression. At present, internal conflicts have come to an end; the Northeastern Army has been nationalized; and, furthermore, steps are being taken to re-organize the troops in Szechwan and Sikong. All these indicate not only a favorable tendency to clear up the situation but also the right path on which China will achieve its aim for spiritual unity.

"Judging from the feverish preparations made, the Kuling Conference is of great significance. According to reports, more than 1,000 persons, including society leaders, politicians, will be asked to attend the meeting, during which measures to save the nation will be discussed. We place great hopes in the forthcoming Lushan conference.

"We hope that the Lushan Conference will lay the foundation of a real democracy for China which, we think, will not only concentrate the strength of persons of ability in China, but will also increase the power of resisting the enemy."

FIGHTING SAID STARTED BETWEEN VOLUNTEERS AND "IRREGULARS" IN NORTH CHAHAR

Serious fighting broke out between the volunteers under Li Ying and 2,000 Jehol and "Manchukuo" Peace Preservation Corps at Kuyuan and Chingpeng in north Chahar June 22, according to Chinese reports from Kalgan, states *Central News*. The Chinese volunteers are said to be extremely active in north Chahar. A survey shows that some 2,400 men of the "People's Militia" are ready to rise up against the misrule of the "Irregulars." Meanwhile, the attitude of Prince Teh and Li Shou-hsin has incurred the wrath of "certain quarters" who are said to have instructed the two to take positive steps either to suppress or pacify the volunteers. The two insurgent leaders have also been ordered to proceed with their westward drive on to Suiyuan, otherwise they will be cut off from all supplies.

The pro-Chinese volunteer movement in North Chahar is spreading like wild fire, stated a Chinese telegram from Pingtichuan June 18. Two bands under Li Ying and Chang Hai-peng are rapidly converging on Kuyuan from West Jehol, while the volunteers under Ying Ju-chiang and Tang Nan-chun have combined for an attack on Chungli. The largest band, consisting of 2,000 pro-Chinese Mongols and led by a Mongol named La Wang Sung Yah, is advancing to Pangkiang with the object of destroying the palace of Prince Teh, commander-in-chief of the recently re-organized "Mongolian Autonomous Army," at Chaper, also known as Tehwangfu. Prince Teh and his deputy commander Li Shou hsiung are reported to have hurriedly conferred on measures to deal with the situation.

Even students of Fuh Tan University in Shanghai will join other collegians in Peiping on an one-month inspection trip to Suiyuan during the summer vacation, *Central News* learns. The inspection party initiated by students of Tsinghua and other universities in Peiping, comprises 150 members. Starting out from

Peiping on July 1, they will visit Kweisui, Paotou, Wuyuan, Lingho and other districts in Suiyuan. Some of the members will proceed to Ninghsia after visiting Suiyuan.

NANKING'S PROTEST AGAINST TOKYO-TIENTSIN AIR SERVICE UNANSWERED

No reply has yet been received from the Japanese Embassy to the Chinese protest against the unauthorized air mail service on the Tokyo-Tientsin airline under the auspices of the Huitung Aviation Corporation. The Ministry of Foreign Affairs, it is learned, will decide on measures to cope with the situation as soon as a reply is on hand.

Despite the protest of the Chinese Government, the Peiping-Tientsin-Paitaiho Airway was started June 15 by the Huitung Aviation Corporation. The east-bound plane departed for Peitaiho, the well-known summer resort, at 7.40 a.m., with three Japanese passengers. The plane returned here at 1.10 p.m., bringing back two Japanese.

At a conference June 16, of the Chinese and Japanese directors of the Huitung Aviation Company, representatives of the Japanese military headquarters and General Furosho, director of aviation in the Tokyo War Office, a decision was reported to have been reached to continue the company's air service with its connection to Tokyo. The service, which was inaugurated on June 1, will be maintained pending an order to the contrary from the Hopei-Chahar Political Council, with which the Huitung Company is registered. Officials of the company contend that air services are governed by the Tangku Pact under which China undertakes to permit through mail, railway and air services.

The Japanese Garrison in North China will stage further largescale maneuvers on June 25 at Fengtai and Tongshan simultaneously, reported *Central News*. Troops stationed in Peiping, Tientsin and Tungchow will hold their combined drill at Fengtai, while those stationed in East Hopei and along the Peiping-Liaoning Railway will take part in the sham battle at Tungshan. The maneuvers will last till June 27 with Lieut.-Gen. Tashiro, Commander-in-Chief of the Garrison in North China, inspecting his troops in Tongshan on June 25 and in Fengtai on June 27.

JAPAN FORCED TO CUT FUNDS FOR NORTH CHINA

The continued outflow of gold from Japan lately had reached such alarming proportions that the Ministry of Finance has been forced to restrict the sending of capital to North China for economic development purposes there, it was revealed in Tokyo June 18. In every instance, said a *Central News* dispatch, the exchange control regulations revised early in January this year have been strictly enforced. The shipment of gold abroad, without the permission of the Okurasho, has been rigidly forbidden. Early in March and April this year, a number of Japanese firms applied for the shipment of cash to North China for the purchase of a number of Chinese cotton mills in Tientsin and elsewhere. Their applications were not approved until after repeated representations. Even then, it was estimated, only a very small portion of the remittance which was asked for was allowed to flow out of the country. With international payments becoming more and more unfavorable to Japan, the Okurasho is considering even more drastic measures to check the outward flow of the gold stream, it was reported. Capital for expanding Japan's economic interests in North China will similarly be sparingly granted.

PEIPING EDUCATIONALISTS TO ISSUE MANIFESTO, PLEDGING SUPPORT TO NATIONAL GOVERNMENT

Educational and cultural circles in Peiping and Tientsin will shortly issue a manifesto to the nation, supporting the National Government in its task of national unity and consolidation. Signatures are being widely solicited to the manifesto, it is learned, which will be sent out in the near future.

Five thousand students of both sexes in Tientsin have pledged not to purchase and use smuggled goods in a movement boycotting the contraband. A delegation of five members will be sent to the Tientsin Customs House to pledge their support to the preventive services in their work to combat the smuggling activities.

NORTH CHINA TO EXPEDITE ELECTIONS OF DELEGATES TO PEOPLE'S CONGRESS

Settling down to actual preparation work, the Tientsin and Peiping Offices in charge of elections of delegates to the National People's Congress set for November 12 were simultaneously inaugurated in the two cities June 21. A meeting of the Tientsin Office was held in the afternoon with Ma Yen-chung, Secretary-General of the Tientsin Municipal Government, in the chair in absence of Mayor Chang Tse-chung. Up to date, it was revealed at the meeting, only 100,000 voters had registered with the Office. To expedite preliminary elections, it was decided that police will be sent out to undertake a house-to-house registration. Fifty candidates will be nominated in the preliminary elections, it was decided in accordance with regulations governing National Elections, and out of the 50 candidates five regular delegates will be elected.

Chinese Factory Owners in Shanghai Petition for Relief Against Iron Shortage

Chinese factory owners in Shanghai this week sent a petition to the Ministry of Industries stating that the entire machinery of Chinese heavy industries in Shanghai may be put at a standstill if ways and means are not devised to ameliorate the serious shortage of iron now confronting Shanghai as a result of the barriers foreign countries have placed on the exportation of iron abroad. With the rise of modern industries encouraged by the government in China, the petition said, the demand for iron has been steadily increasing so that the supply of this indispensable material has to be derived mainly from foreign countries.

The only company in China that produces iron, it was pointed out, has been the Liuhokow Iron Mining Company, both the Hanyehping and Lungyen Mining Companies having suspended operations. The output of Liuhokow Company is only 80 tons per day aggregating approximately 30,000 tons per year, whereas the demand for raw iron in Shanghai alone, it is estimated, is as much as 5,000 tons per month.

With foreign countries now feverishly engaged in increasing armaments, a virtual embargo has been enforced on exportation of iron and steel abroad with the result that China has been cut off from supplies. The total amount of raw iron available in the whole China, the petition says, will be exhausted in a short while.

The petition concluded by saying, while the basic solution of this serious problem lies in the exploitation of iron resources with which China abounds, immediate emergency measures for the relief of the shortage of iron must be adopted if an impending catastrophe to the nation's industries in Shanghai and throughout China is to be avoided.

New Railway to Be Built in Shantung

With the permission of the Executive Yuan, the Shantung Provincial Government is organizing a company for the building of a railway to connect Tsinan and Liuchen so as to facilitate the communications between East and West Shantung.

The Kiaochow-Tsinan Railway administration has taken over the Tsinan-Liaocheng Railway, which is now under construction. A Board of nine Directors will be created for the administration of the new Railway, two of whom will be appointed by the Ministry of Railways, two by the Kiaochow-Tsinan Railway

Administration, three by the Shantung Provincial Government and two designated by the private shareholders. Chang Ching-li, Director of the Finance Department of the Ministry of Railways, and Lu Meng-hsiung, Counsellor of the Ministry, have been nominated to the Board by the Ministry.

Construction of Canton-Meih sien Railway Extension to Start Next Month

Survey of the 250-kilometre trunk line of the projected Canton-Meih sien Railway and the 120 kilometre Meih sien-Chaochow branch line has been completed. Construction work will be started next month and completed in 18 months at a total cost of \$4,000,000. A set of measures for the training of a staff for the Canton-Meih sien Railway has been formulated by Tseng Yang-fu, Political Vice-Minister of Railways and Mayor of Canton. It is planned to select 400 students from the senior and junior middle schools in Kwangtung, who will be given two months' training at the Canton branch of the Central Military Academy and then a year's practical experience at the Chekiang Kiangsi Railway.

Nanking-Tientsin Long Distance Phone Line to Be Opened July 1

The Nanking-Tientsin long distance telephone line, which is a part of the 9-province telephone system, will be thrown open to the public on July 1. The line will be later extended to Peiping, as installation work on the Tientsin-Peiping line is being completed.

Kuling's New Power Plant to Start Operations July 1

Electric lights and other forms of modern conveniences will be introduced at Kuling, the famous mountain resort of Kiangsi and at present China's political center, from July 1, when a new power plant will start work there.

Hsin Chung Company Tries to Extend Control Over Changlu Salt Fields

In an attempt to extend its control over the Changlu salt fields, the Hsin Chung Company organized two months ago a Tung Chi Company in the salt region. The purpose of the company is to lend money to the salt producers on the one condition of pledging their salt fields as security. By this method, it is hoped by the Hsin Chung Company that these salt fields will be ultimately controlled by the Japanese interests.

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Japan Has Yen 117,136,000 Deficit in 1936-37

Japan's 1936-37 fiscal year ended in a deficit of Yen 117,136,000, with receipts totalling Yen 1,898,086,000 and expenditures reaching Yen 2,015,222,000, the Tokyo Finance Ministry announced June 18. Reflecting the boom in the munitions and heavy industries, the income tax receipts showed a gain of Yen 75,000,000 as compared with the preceding fiscal year. In the income column, extraordinary revenues accounted for Yen 702,482,000. The extraordinary expenditures totalled Yen 810,827,000.

Japanese Minister of Commerce Favors Regimentation of Labor

The regimentation of labor, along the lines "advantageously pursued" in Germany and Italy, was recommended June 16 by Shinji Yoshino, Minister of Commerce and Industry, in a press interview. The Minister expressed his opinion that labor must be controlled and the transfer of workers from one factory to another must be prohibited. Commenting on Mr. Yoshino's remarks, the metropolitan press surmised that the Government possibly contemplates compulsory labor service, patterned after military service. Mr. Yoshino further declared that both material and human resources must be fostered to ensure an increase of Japan's productive capacity. In balancing international payments, he added, Japan and Manchukuo must be considered as one unit.

Japanese Home Office Will Propose "People's Physical Management Bill" to Next Diet

The Tokyo *Nichi-Nichi* states that the Japanese Home Office has decided to present to the regular session of the Diet a people's physical management bill calling for compulsory physical examination of the people between the age of six months and 40 years as a means of collecting fundamental data for creating and expanding health-building facilities and also as the first preparatory step in the national mobilization plan. The main idea of this bill, which is epochal in the history of hygienic administration, is to have all babies at the age of six months submit to physical examination at the municipal, town or village office, and the local office is to draw up and keep a register of the physical record of citizens. From the school age the records are to be kept by the primary schools in lieu of the local offices. On graduation from the primary school and up to the age of 40 the local office again keeps the records. Up to the conscription age the physical examination is to be conducted once every year but after the conscription examination up to the age of 40, every three years.

The register will mention the various physical powers of each individual, presence or absence of tubercular tendencies or vicious inherited characters. The records will not be allowed to be taken home by the individuals but will be kept on file at the local office.

Japanese and Manchukuo Economic Structures to Be Virtually Merged

A virtual merger of the Japanese and Manchukuo economic structures will form the basis of economic policies decided by the Cabinet June 15. Close collaboration will be maintained by the two Governments in practically every phase of economic activity, including industry, trade, finance and tariffs. This basic principle will also be adhered to in the formulation of plans for the production of gold, coal, iron and other minerals, and substitutes for raw materials, such as oil and wool. Joint plans will also be made for making the two countries self-sufficient in raw cotton, wool, lumber, foodstuffs and staples.

Tokyo Cabinet Approves Principles of Five-Year Economic Plan

Three principles, which will form the basis of a comprehensive five-year plan for national economic development, were approved by the Tokyo Cabinet June 15. Manchukuo and Japan will be regarded as one unit in putting this scheme into operation. The three principal elements of the program are: The expansion of national productive capacity; the balancing of international payments; the regulation of the supply and demand of raw materials.

Boom Continues in Japanese Shipbuilding

Ships with a total displacement well in excess of 1,000,000 tons were under construction or contracted for in Japan on May 31, the Japan Shipowners Club announced June 16.

Japan Rayon Exports Show Increase

With China, Manchukuo and British India buying ever-increasing quantities of Japanese rayon, the Japan's exports of rayon textiles in May were valued at Yen 13,716,008, or Yen 1,819,903 more than in April. Exports of rayon yarn also showed a gain of Yen 1,687,052, to Yen 5,089,903 for the month. British India, where restrictions were recently clamped on imported Japanese rayon, showed largest gains. Exports to Europe showed a slight decrease.

Japan to Have 9,000,000 Tons of Steel and Iron by 1942

At the end of 1942, the annual output of steel and iron by furnaces in Japan and Manchukuo will reach 9,000,000 tons, a spokesman of the Ministry of Commerce and Industry stated in Tokyo

June 13. The five-year plan designed to make Japan independent of foreign supply of steel and iron was formulated earlier this year by Vice-Admiral Dr. Takuo Godo, former Minister of Commerce and Industry. The plan has been taken over without modifications by his successor, Shinji Yoshino. The plan provides for the erection of two blast furnaces, with an annual output of 700,000 tons, by the Ministry, and an iron manufactory, with an annual output of 500,000 tons, by the Mitsubishi interests in Seishin, Korea.

Red Professor—Premier's Tutor—Leaves Prison

Premier Prince Fumimaro Konoye's former tutor, Dr. Hajime Kawakami, was released from the Kotsuge Prison June 15 after serving a 45-month sentence for Communist activities. Dr. Kawakami, who was once connected with the Kyoto Imperial University, was sentenced to a five-year term in September, 1933. This sentence was, however, reduced under an amnesty.

Japanese Firm to Grow Cotton in Netherlands New Guinea

Following the successful completion of experiments in the growing of cotton in the Netherlands' New Guinea, the semi-official South Seas Development Company June 17 announced the commencement of large scale cotton cultivation on the island. The Yen 50,000,000 concern, besides engaging in the development of the island, also carries on trade with Timor, a Portuguese Island southeast of Celebes.

Japan-Portuguese Firm to Be Established in Timor Island

Following the southward advance policy of the Japanese Government, the South Seas Development Company has planned to establish early next year a Yen 5,000,000 trading firm jointly with the Portuguese industrialists in the Timor Island. Concrete plans are reported to be under consideration. In preparation for the new venture, the company is expected to open trade relations with that island with funds made available by the recent capital increase.

Leading Seiyukai Member to Make Six-Months Tour of Europe

Causing general consternation in the ranks of the Seiyukai party, of which he is the leading member, Ichiro Hatoyama last week announced that he would leave Japan for a six-month tour of Europe by the end of next month. With the special session of the Diet opening on July 23, the second largest party in the House of Representatives will thus be shorn of leadership.

The Question of Profits and Employees in the Ford Enterprises

A radio talk recently given by a Ford official in the United States clarified various economic aspects of Henry Ford's enterprises. A listener had asked, "If all Ford profits had been given to the help, how much additional would they have received?" The Ford official first gave an historical sketch of how Henry Ford built up his enterprises, mainly by putting a large percentage of the profits back into his business, and then replied to the questions as follows: "In 33 years the Ford profits amounted to 844 million dollars. If profits had regularly been paid to the employees as they were made, there soon would have been no business and consequently no employees." Then, assuming that the questioner really meant to ask concerning dividends instead of "profits," the Ford official said that if all dividends had during the 33 years of the Ford Company's existence been paid to the employees, each man would have received an increase of less than six cents per working hour, an inconsequential amount seeing that the actual increase in wages of Ford employees during the period was about 400 per cent.

University of Nanking Experts Discuss China's Future Price Level

One of the research projects financed by the Rockefeller Foundation in China concerns studies of changes in commodity prices and problems connected with currency policy. This project has been entrusted to the Department of Agricultural Economics of the University of Nanking and some of the findings are made public in its journal, *Economic Facts*, which also contains, occasionally, the results of other studies in the field of agricultural economics. The current issue (the fifth) has just been issued. Prominent among its contents are data on "China's Future Price Level." It is noted that since, November, 1935, there has been a spectacular rise in the prices of commodities in China. Prices are now as high as in 1931. Up to the present it is stated, the advance has been, on the whole, beneficial, increasing the purchasing power of farmers and other producers of raw materials and narrowing the gap between the prices of China's raw material exports and those of the manufactured commodities she imports; but, because the advance has been so spectacular and appears to be continuing, doubt has raised as to the future.

Communist Leader Arrives in Shanghai to Re-establish Party

The *Shanghai Nippo* June 22 stated that since the secret penetration into Shanghai of Chow En-lai, noted Communist chief, the movement for the reestablishment of the Chinese Communist Party has been tactfully expanded. Upon the secret instructions given by Chow En-lai, his followers allegedly commenced their activities in the establishment of the branch headquarters of the Chinese Communist Party in various local universities and colleges in collaboration with the United Student National Salvation Associations in these different educational institutions. About a week ago, Mr. Chow had a conference with representatives of the national salvation associations of the students in a Peking restaurant on Foochow Road, at which a decision was reached, among others, to demand the revision of the regulations governing the election of representatives to the National People's Congress.

Mayar Silk Strike Only Partially Settled

A long-drawn-out strike at the Mayar silk filature in Chapei, Shanghai suburb, was partly brought to a close end of last week, when about one-quarter of the 800 employees returned to work, while the others held off, stating that they would send an appeal to Nanking in order to secure the re-employment of a number of old employees which the employers refused to take back.

Tear Gas Versus Beer Bottles in U. B. Strike

A strike in the bottling department of the U. B. Brewery in Shanghai June 22 had a dramatic sequel when at the request of the management a detachment of the Shanghai Municipal Police entered the premises and drove out the strikers. The Police used tear-gas bombs and the strikers replied by hurling thousands of bottles at the attackers. The U. B. management is in possession of its property, but for the present no beer is being bottled.

Congressman Dyer Pleads for Better Trade Relations Between U.S. and China

A plea for a considerable increase in the trade relations between the United States and China was made by Leonidas C. Dyer, United States Congressman and one of the authors of the China Trade Act (1922), in a radio address in St. Louis on May 17.

The two countries have been friendly since the time the United States was a group of struggling colonies, he asserted. "We have done a lot of business with China, but just now our trade with that country and the Far East has fallen off to one-third of what it was several years ago."

"The Bureau of Foreign and Domestic Commerce in its last report had this to say, in part, regarding our trade with China proper: 'Our trade with China disclosed an import balance in 1935 for the first year since 1930. Exports, amounting to \$38,153,000, were 44 per cent smaller than in 1934 and 27 per cent below 1933, the previous low of recent years, whereas, imports of \$64,200,000 were 46 per cent larger than in the previous year and 145 per cent above the low year of 1932.'

"These facts, presented by our Government, while not much to brag about, are an evidence that we can greatly increase our business with China and all of Asia, if we make a real effort."

In concluding his talk Dyer declared, "As one American, who has given nearly a quarter of a century as a public official of the United States, to bettering our foreign relations and increasing our trade and commerce, I believe in China, its leaders and people. I propose to devote unstintingly of my time to furthering the cordial and business relations now existing between the people of these two countries. In doing so, I know that I will be aiding China as well as my own country."

Nanking Officials Probe Cotton Crisis in Shanghai

An official investigation was conducted in Shanghai June 22 by a group of representatives of the Central Government into the recent crisis in the local cotton market. The group was headed by Wu Ting-chang, Minister of Industries, who was assisted by Messrs. Yen Sheng-yu, and Chen Pi-shih, Director of the General Affairs Department and Counsellor of the Ministry of Industries respectively. The official investigators first received H. Y. Moh, President of the Chinese Cotton Goods Exchange, during which detailed inquiries were made into the circumstances leading to the recent crisis. All books of the Cotton Goods Exchange are now being investigated in order to trace the causes of the trouble.

Honan Province to Build Music Hall

Lu Tang-ping, educational commissioner of Honan Provincial Government, recently announced that the Provincial Government intends to build a music hall in Kaifeng with a capacity of at least 5,000 persons. In addition to the students of the different schools in the city, all people of different ranks will be trained to sing patriotic songs. During the summer vacation, a series of music lectures will be held under the auspices of the Educational Department of Honan Provincial Government.

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Drastic Purge in White Russia Soviet Republic

A drastic purge in the White Russia Soviet Republic, which borders on Poland, involving the leading members of the Cabinet, and the Central Committee of the Communist Party, was revealed at a White Russia Party conference at Minsk last week. The existence of a secret Trotskyist spying and wrecking organization led by the Commissars of Agriculture and Education was alleged and "wreckers" in the Commissariat of Agriculture were accused of destroying livestock and crops. A scientist from the Veterinary Institute said he had been instructed to infect cattle with cholera germs to kill the thoroughbreds. Collective farms are alleged to be "hotbeds of Polish espionage." A. G. Cherviakov, President of the White Russia Republic, committed suicide for "personal and family reasons."

Foreign Diplomats in Moscow Compare "Purge" to Salem's Witch Hunt

Foreign diplomats stationed in Moscow are comparing the recent wave of arrests of high Soviet officials to the famous Salem witch hunts. *Associated Press* dispatches to New York stated. Doubts regarding the charges levelled against those who were "liquidated" were expressed by the diplomats, who tended to regard the situation as indicative of a serious internal schism in Soviet Russia. Confronted with daily announcements that high officials, whom they were required to look upon with awe for many years, have been arrested or shot without much explanation or proof of their alleged misdeeds, the Russian people are bewildered, a symposium of foreign diplomats in Moscow revealed, the *Associated Press* said.

Forty-five Government and Communist party officials have been arrested in Minsk, capital of White Russia, on charges of diversionist activities, the dispatches continued. The prisoners were alleged to have instigated farmers to "sabotage" the planting and the harvesting of crops; interfered with construction activities and disrupted railway and telegraph communications. A vigorous Communist party purge is being carried on in the Caucasus and the Ukraine, the *Associated Press* went on. In the city of Ordzonikidze, named after the late Commissar for Heavy Industry, 5,362 members of the party have been expelled. At Rostov, 30 local officials were arrested, the reports said.

Stalin's "Despotism" Scored by Hsinking Organization

Describing itself as a popular check on "possible dictatorship," the Concordia Society, the only officially-recognized political organization in Manchukuo, scored the "scandalous conditions" existing in Soviet Russia in a lengthy statement published this week. "Such occurrences may be often repeated in a dictatorial and despotic state," the manifesto read. "We must be cautious not to be bewildered by propaganda and to ascertain for ourselves the actual state of suffering of the Russian people."

Russia at Crossroads, Says "Tokyo Asahi"

Soviet Russia today stands at a crossroads, with the alternatives being war-time communism or collapse of the Stalin regime, the *Tokyo Asahi*, a leading Japanese daily, said June 17. Tokyo newspapers alleged that the people of Kiev and Odessa were terror-stricken on learning of the execution of the eight military leaders.

Soviets to Issue Four Billion Roubles Defense Loans

The recently reported Soviet defense loan will total between 3,000,000,000 and 4,000,000,000 Gold Roubles, it was announced in Moscow, June 17. The propaganda for the loan is taking an original form, it being emphasized that the government is offering the loan for subscription only in response to repeated demands on the part of the people. The official government announcement of the intended loan declares that "the Soviet Government finds itself compelled by the united will of the people to consider seriously the question of offering a national defense loan for general subscription. The proceeds from such a loan are estimated at between 3,000,000,000 and 4,000,000,000 Gold Roubles."

Three Soviet-Manchukuo Border Incidents Reported Near Chike

Three border incidents, involving firing on Manchukuo troops by the Soviets and alleged invasions of Manchukuo soil, were reported in military dispatches reaching Hsinking, June 21. A Manchukuo motor boat patrolling the Amur River was subjected to firing from Soviet frontier posts at a point north of Chiefengze, 25 kilometers west of Chike, according to these reports. Chike is southeast of Aigun. Thirty Soviet troopers are further alleged to have made a landing on an island 25 kilometers upstream of Chike on Saturday and ejected the inhabitants, while another group of Soviet soldiers raided another island 50 kilometers upstream from Chike and kidnapped an undetermined number of gold miners. Other miners were forced to leave the island, the dispatches said.

Soviet-Manchukuo Border Conflict Results in Death of Police Officer

According to *Tass* reports from Habavorsk three armed trespassers were observed on the southern section of the Soviet-

Manchukuo frontier by a Soviet frontier guard patrol on June 16. The three men had penetrated 100 metres into the territory of the U.S.S.R. The Soviet guards twice called to the trespassers to halt. The trespassers, who afterwards were found to be Japanese policemen, not only did not stop but opened fire upon the frontier guards. As a result of the skirmish, one of the trespassers was killed and two others fled to Manchurian territory. The killed person proved to be a police officer.

Amur Region Tense as Soviets and Manchus Fight

Tension returned to the strife-ridden eastern frontier of Manchukuo as a Manchukuo patrol and Soviet river gunboats staged a half-hour combat on the banks of the Amur last Sunday, belated reports reaching Tsitsihar June 22 said. According to the dispatches a Manchukuo patrol, led by a second lieutenant, was subjected to machine gun fire from two Soviet gunboats and an armed lighter near the border of the Heiho and Wuyun districts downstream of Heiho. The Manchukuo force returned the fire but was compelled to withdraw after about 30 minutes. The engagement started at about noon. Reinforcements were then rushed from Heiho and the lost position recovered.

Manchukuo Seeks Reopening of Amur Waterway

Domei state that the reopening of the northern Pojarkovo waterway on the Amur River will be sought of the Soviet Government by the Manchukuo authorities in a formal protest soon to be filed at the U.S.S.R. Consulate-General in Harbin. A guarantee of the freedom of navigation of Japanese and Manchukuo vessels on the Amur will also be sought. Officials in Hsinking charge that following the rupture of the Soviet-Manchukuo waterways conference, earlier this year, disputes on navigation issues have increased because of Russian acts.

Reich Establishes "People's Church"—Germans Supplant Jews as "Chosen" People

The Deutsche Volkskirche (German People's Church) was officially recognized as the state religion of Germany in a decree published by the Ministry of the Interior in Berlin, June 16. Religion itself having now been "gleichgeschaltet" (synchronized), the spiritual unification of the German Nation is considered an accomplished fact in authoritative Nazi circles. The German Church was founded not very long ago by one of the oldest disciples of Hitler, Dr. Arthur Dinter, whom the Fuehrer permitted to abandon his duties as a party member in order to devote himself entirely to his theological studies and religious apostolate. The first tangible results of the Nazi prophet's efforts appeared in the shape of a widely advertised treaty on the "Trilogy of Sin," which comprised the Sin against Blood, the Sin against Love and the Sin against the Spirit, together with a number of hazily propounded yet highly mystical theories. The importance of the Trilogy of Sin lies in the fact that its publication gave the racial doctrine of the National-Socialist party its first religious support.

Having rejected the dogmas of all existing churches which it considers as "Jewish inventions," but having given the founder of the Christian faith a place amongst the family of Germanic Gods, which includes Wotan, recently exhumed from Richard Wagner's operas and reinstated in a re-shaped and synchronized Walhalla, the new German religion claims to be a "neo-panthecism" based "on the religious value of blood and race." In this connection, foreign skeptics have been known to point out that the new cult, being entirely founded on the divine character of the German race, whose representatives appear to take themselves as the "Chosen People," is not unlike that of Israel in its conception.

2,479 Germans Commit Suicide During 20 Weeks

According to official data, 2,479 people committed suicide during the course of the first 20 weeks of 1937 in 58 large cities of Germany. During the course of the same period of 1936 there were 2,418 cases of suicide, while in 1935 there were 2,263 cases.

Bilbao, Basque Capital, Taken by Spanish Nationalists

Bilbao, the Basque capital, was occupied by the Nationalist troops June 20. Utter confusion reigned when troops of General Francisco Franco, the rebel commander-in-chief, entered the outskirts of the city at 4.15 p.m. The fall of Bilbao brought freedom to 1,400 political prisoners who had been held captive for several months.

General Franco, in a note on June 10 to Britain, claimed recognition of his Junta as the Government of Spain.

German Munitions Pass Innsbruck on Way to Italy

Six cars of ammunition attached to an otherwise empty German freight train cleared Innsbruck en route to Italy, June 12, the stationmaster at Innsbruck, Austria, reported. It was presumed that the ammunition would be used in the Spanish civil war.

U. S. Commerce Department Chief Forecasts Increased American Trade

A large Chinese demand for American and European construction materials and machinery for many years to come was forecast by I. Moser, Chief of the Far Eastern Trade Division of the U.S. Department of Commerce in a speech to the Rotary Club in Norfolk, Virginia, May 18. Machinery and other heavy materials will be needed in connection with China's railway, highway, airline, power line, textile, mining and similar developments, he said. "China, if conditions permit developments along normal lines, probably will be a more attractive field for participation of western commerce and capital than ever before," Mr. Moser said. Mr. Moser was Consul at Harbin during the strenuous days of the World War.

Japanese Economic Mission Holds Joint Conference with American Business Representatives

A four point agenda including cotton textiles and the automotive industry was adopted by members of the Japanese economic mission and American business representatives at their first joint conference held in New York June 2 under the auspices of the American Foreign Trade Council.

According to a communique issued after the meeting, the Japanese and American representatives agreed to discuss automotive enterprises, cotton textiles, cotton standards and telegraph rates.

The communique expressed hope that the mission in Washington will confer with the United States Tariff Commission and the Federal Communications Commission.

William S. Culbertson, one of the American business representatives, urged complete frankness and a realistic approach to trade questions as the best means of promoting closer economic co-operation and contributing toward world peace.

Alabama Supreme Court Upholds 75-Year Sentence in Scottsboro Case

The Alabama Supreme Court June 14 affirmed the sentence of 75 years' imprisonment inflicted on Heywood Patterson, one of the nine defendants in the famous Scottsboro case, in which nine negroes were originally condemned to death on a charge of assaulting two white women on a freight train in 1931.

N.Y. Stocks Slump to Lowest Since 1936

Wall Street slumped to its lowest level since August of 1936 on June 14. Some of the most important shares on the market lost as much as 7 points in a single day. The *New York Sun* attributes this drop to the increase of social disorders and strikes throughout the country and "the Government's inaction in maintaining order and protecting public property."

Senate Judiciary Committee Opposes Roosevelt's Supreme Court Reform Bill

In words of bitter denunciation, the U.S. Senate Judiciary Committee, June 14, presented its majority report on President Roosevelt's Supreme Court Bill. The Committee asked for the defeat of the Bill as a "needless, futile and utterly dangerous abandonment of Constitutional principles, which was presented in a most intricate form for reasons that obscured its real purpose. It should be so emphatically rejected, the Committee declared, "so that its like would never again be presented to the free representatives of the free people of America."

U. S. Trade with Asia Now Double That with South America

A notable improvement in foreign trade during April, as compared with the corresponding month of last year, was revealed in statistics released by the Department of Commerce, in Washington, June 11. The figures revealed a heavy merchandise balance against the United States, with the exception of Japan, where the United States had a surplus of exports. For the four months ending with April, American exports to Asia were valued at \$191,752,000 as compared with \$124,619,000 in the same period last year. Imports during this period of 1937 totalled \$320,902,000, as compared with \$231,619,000.

American trade in Asia at present is double United States trade with South America. April exports to South America amounted to \$24,221,000 as compared with exports totalling \$51,221,000 to Asia in the same month.

Manuel Quezon's Trip to Cuba Cut Short

Sr. Manuel Quezon's visit to Cuba was cut short by a summons from the Department of State in Washington June 19. While in Havana Sr. Quezon attempted to erase any friction between the Philippines and Cuba resulting from sugar trade with the United States. "I wish to erase from the Cuban mind," he said, "the idea that the Philippines, as a sugar producer, is Cuba's competitor in the United States market."

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When people begin to hesitate in speaking, cannot collect their thoughts, forget things, are too easily excited or worried, become pale and haggard, lose appetite, weight, and the ability to sleep soundly at night—then, says the doctor, "here is a case bordering on neurasthenia; if this is allowed to continue collapse will surely follow!"

Most nervous disorders are due primarily to impoverished blood, to lack of iron in the blood. A proven way to get rich blood is to take Dr. Williams' Pink Pills, the old, reliable iron tonic with an unbroken record of success extending back over fifty years. By rapidly increasing the haemoglobin content of the blood Dr. Williams' Pink Pills supply the oxygen and iron necessary to restore the system to a strong healthy condition. They are equally good for men and women and for anaemic ailing children, as well as a splendid tonic restorative after malaria, influenza, or other serious illnesses. Obtainable from all chemists.

Japanese Consular Officials Hold Conference at Hsinking

Gen. Kenkichi Uyeda, Commander-in-Chief of the Kwantung Army and Ambassador to Manchukuo, opened a two-day conference of Japanese consular officials at Hsinking June 22. Other speakers were Renzo Sawada, Counsellor of the Embassy, and Yoshiyuki Hanawa, a Gaimusho section chief, who read Foreign Minister Koki Hirota's instructions to the conferees.

The main topic of discussion was the impending transfer of Japanese administrative rights in the South Manchuria Railway zone to the new Empire. Led by Kumaichi Yamamoto, First Secretary of the Embassy in Hsinking, consular officials reported on their preparations for the transfer of Japanese rights. There were also discussions on various aspects of the abolition of extra-territoriality.

Divisional Chiefs of Tokyo Foreign Office Visit Manchuria

Divisional chiefs of the 2nd and 3rd division of the Far Eastern Department of the Japanese Ministry of Foreign Affairs, are reported to have arrived in Changchun.

36 Manchu Farmers Said Seized by Soviet Guards

Thirty-six Manchurian farmers were kidnapped by Soviet border guards in a sudden raid on Hulin-hsien on June 4. Japanese military authorities announced in Mutankiang, June 11. The news of the men's seizure was brought by a farmer of Yuehkouchen, a small border village in Manchukuo's northeast. The seized men, the informant said, belonged to six families in the village. The raiding party arrived late at night and forced the 36 persons to accompany it across the border.

13 Japanese Killed, 11 Kidnapped in Bandit Raid

Thirteen Japanese guards were slain, and four Japanese and seven Koreans were kidnapped by a band of about 80 outlaws who raided a gold mine at Tunghsingchen in the Hunchun district, Chientao province, June 25. The raiders were armed with light machine guns. The despatches failed to state whether the raiders obtained any gold.

A special message from Mutanchiang to the *Tokyo Asahi* June 15 stated that Sergeant Yamaguchi had been killed in an encounter with bandits.

Six Japanese were killed in combat with bandits, according to an *Asahi* special telegram from Antung June 16.

Bandits in Manchuria Attack Motor Truck and Kill Six

Four guards, one driver and a woman passenger were shot and killed in a bandit attack upon five motor trucks on the border between the Kwantien and Huanjen hsien, in Antung Province, June 14. The band, which consisted of about 50 men, escaped after destroying the trucks.

5,675 Officers and Men Decorated for Service in Manchuria

Honors were bestowed in Tokyo, June 16 upon 5,675 officers and men of the Seventh Division, which recently served in Manchuria. Included among those receiving decorations were 57 officers and men killed in action.

Manchukuo to Buy 5,000 New Zealand Sheep

Five thousand sheep have been purchased in New Zealand by the Japan-Manchukuo Sheep Industry Association. Of this number, *Domei* says 3,000 will arrive in the country next month.

Hsinking to Have New Civil Law Code

A new code of civil law, expected to be enforced by December 1, was promulgated in Hsinking June 17 by the Manchukuo Government. Government officials said they were pushing on a codification of laws with all possible speed, in preparation for the forthcoming abolition of extra-territoriality.

South Manchuria's President Says Immigration Into Manchuria Successful

With the eradication of banditry and improvement of the communications facilities, the agricultural enterprises established in Manchukuo by Japanese immigrants are now run on a paying basis, according to Yosuke Matsuoka, President of the South Manchuria Railway Company, in an interview with Count Yoriyasu Arima, Minister of Agriculture and Forestry in Tokyo June 17.

The South Manchuria Railway company will obtain an immediate temporary loan of Yen 20,000,000 from the Industrial Bank of Japan, pending Government payment of unpaid shares, according to the *Tokyo Asahi*.

Consul General Slavutsky to Leave Harbin on July 3

Michael Slavutsky, who as Consul-General in Harbin has for years acted as Soviet Russia's unofficial Ambassador to Manchukuo, will leave Manchuria on July 3 on a summons from the Foreign Commissariat.

Manchukuo Restricts Purchases of Newly-Mined Gold

In view of the growing output of gold in Manchuria, the Hsinking Government recently issued revised the regulations govern-

ing the official purchase of Manchukuo gold, whereby gold produced in the new State will be bought either by the Central Bank of Manchukuo or by the dealers appointed by the Government. No private merchant will be allowed freely to purchase gold products.

Okura Interests to Raise Manchukuo Iron Output

The Penchiho Coal and Iron Company, in Manchukuo, operated by the Okura interests, has decided to increase its iron and steel production to 500,000 tons a year in five years and to install two 600-ton blast furnaces to meet immediate requirements, according to a recent Mukden dispatch to the *Asahi*.

Attempted Assassination of Henry Pu Yi

Reports received in Harbin to the effect that an attempt had been made to assassinate Henry Pu Yi, head of the puppet state of Manchukuo on June 13 at Changchun were confirmed by official circles in Harbin, June 20, according to *Lih Pao*. It was added, however, that Pu Yi was not injured. Three natives of the North-Eastern provinces tried to kill the puppet ruler. One of them was arrested on the spot by the Japanese military authorities.

Tang Chi-yun, 30 years of age, would-be assassin of Henry Pu Yi, No. 1 puppet in Manchuria, was executed in Changchun June 15 by order of the Japanese Kwantung Army. He was stated to have formerly been a student at a Missionary University in Shanghai.

Kangte Assassination Rumor Denied in Tokyo

Rumors that Emperor Kangte of Manchukuo had been assassinated were categorically denied by the Manchukuo Embassy and the Japanese Foreign Office June 23. Various false rumors of the death or of the assassination of Emperor Kangte have been spread from Chinese sources in Singapore and other places in recent years, the spokesman for the Foreign Office said in reply to questions by foreign correspondents.

Late Marshal Chang Tso-lin Is Buried in Family Cemetery Near Chinchow

As briefly mentioned in *The Review* of June 5 elaborate funeral services were held June 2 and 3 for Marshal Chang Tso-lin, Manchurian warlord, who lost his life near Mukden nine years ago, when the railway coach in which he was riding was blown up near Mukden. Attended by impressive Buddhist rites, the remains of Marshal Chang Tso-lin, one-time warlord of Manchuria, were buried in the family cemetery near Chinchow during the morning of June 3. The grave is next to that of the ex-bandit's wife. His mother is buried in the same cemetery. Many local residents, including Japanese and Manchukuo officials (among them Mr. Yui, Director of the Concordia Association and T. Takeuchi, President of the Fengtien Headquarters of the Concordia and Director of the General Affairs Board of the Fengtien Provincial Government), assembled on the eastern edge of the city for the rites. As the funeral procession made its way from Shishan station, on the Mukden-Shanhaikwan Railway, thousands of country people lined the route to watch. The casket was brought in a special carriage from Tsungtan station, near Mukden, after an elaborate ceremony there the previous day.

The ceremony was reminiscent of the pomp and glory at the zenith of the late Manchurian ruler's prosperity. The casket was carried in a special carriage from Tsungtan Station on the Mukden-Shanhaikwan Railway following conclusion of the elaborate farewell services at Mukden on June 2.

The funeral was arranged through the good offices of the Concordia Association (Hsieh-ho-hui), for which purpose a special committee was formed consisting of members of the association and relatives of the late Marshal Chang.

Mortgages on Real Estate in Shanghai Discussed in House of Commons

The complicated question of the foreclosure of mortgages held by British subjects on property located in Shanghai was further referred to in the British House of Commons June 21 when questions were asked regarding the decision of the Judicial Yuan at Nanking on the sale of mortgaged property at Shanghai, whereby auction without judgment is only permitted provided the debtor or a third party raises no question. This proviso, Sir John Wardlaw-Milne said, enabled defaulting mortgagors to postpone realization without just cause. Sir John asked that steps should be taken to remedy the situation. The Foreign Secretary, Anthony Eden, undertook to make inquiries and to consider what steps would be appropriate.

This matter of mortgages on real estate in Shanghai, it may be stated, is complicated by the fact that the British (or other foreign) registry of the property concerned covers land which is actually owned by Chinese, the foreigner being the legal owner and the Chinese the beneficial owner. The attitude taken by the Chinese authorities is intended to protect the real owners of the property.

Chinese Sailors Mutiny and Steer Smuggling Vessel Into Customs Hands

Seizing a reputed Japanese vessel, bound from Dairen to Chinwangtao, in a mutiny on the high seas, three Chinese members of the crew steered the ship to Chefoo, where they handed it over to the Maritime Customs, a *Domei* message from Dairen June 22 stated. They immediately claimed their reward for confiscated contraband goods on the ship's Yen 250,000 cargo of sugar and sundry goods.

Capt. Tokutaro Iwaki and three Japanese members of the crew, who were overpowered by the Chinese, were not harmed. They were handed over to the Japanese consular authorities in Chefoo.

The master of the ship immediately demanded the arrest of his Chinese crew on charges of piracy, contending that he and his Japanese subordinates had been locked up by the mutineers when the ship was about five miles out of Dairen at about 2 o'clock on Sunday morning.

Charges that the 576-ton vessel, the *Tobei Maru*, was engaged in smuggling were denied by the Kobayashi Yoko, owners of the ship. "Ordinary required procedure" was observed in making the shipment, a spokesman of the firm said.

Shipments to Chinwangtao, under the control of the East Hopei Autonomous Government, are regarded as smuggling by the Chinese Maritime Customs. Japanese authorities disagree with this view pointing out that East Hopei Customs tariff duties are paid on goods entering there. This tariff is far lower than that of China.

Later messages developed that the vessel in question is registered at Tsingtao, and therefore under the Chinese flag. Although the captain of the vessel and three other members of the crew are Japanese, the ship is governed by Chinese and not Japanese law, a high Customs official at Chefoo told *Domei*. The official, however, admitted that the forcible detention of the captain by his Chinese subordinates might be a criminal offence.

A Japanese destroyer entered Chefoo presumably to protest against the seizure of the vessel and the confiscation of her cargo. It is difficult to see, Chinese circles contended, on what ground a protest could be made, as the vessel is of Chinese registry. The only charge that could be preferred, they assert, is one of assault by the crew. Meanwhile the crew of the vessel has disappeared.

Chinese District Chamber of Commerce Discusses Smuggling at Annual Meeting

Though China herself has made much progress in the past year towards financial stability and agricultural prosperity, the Chinese people should realize that a bitter international commercial war is being waged, declared Wang Hsiao-lai, chairman of the Shanghai District Chamber of Commerce at its eighth annual general meeting of members held June 19.

Resolutions were passed by the meeting proposing that anti-smuggling efforts be redoubled, that the present Customs tariff be maintained, and that strikes be discouraged and harmony between capital and labor be promoted.

There were definite signs of prosperity, said Mr. Wang, but the effects of the depression still linger, as evidenced by the closing of a number of commercial houses and famine conditions in several provinces. Smuggling activities throughout the country had reached a point so serious as to threaten the very existence of native industries, while abroad tight national economic lines were being drawn. Chinese industry was thus finding it difficult to obtain important raw materials such as paper and iron.

The speaker complained of the lack of big Chinese organizations to handle exports. He said that many foreign merchants were desirous of buying Chinese goods in large quantities but were unable to find an organization which could guarantee delivery. Raw silk, he said, was among the products the sale of which were handicapped by the lack of an organization. As a result, foreign markets were flooded with Japanese silk.

Mr. Wang had praise for the cooperative spirit which he said is beginning to manifest itself throughout the country. He was glad to note that bankers were doing their best to co-operate with industrialists and farmers. The cooperation between Government officials and merchants was said to be responsible for the success of such enterprises as the Fish Market and the Wenchu Newsprint Factory.

Twenty resolutions were carried by the meeting, among them being proposals to stiffen anti-smuggling measures, to petition the Government to forbid the export of wheat, to petition for the abolition of the transit tax on native goods, and to petition the railway authorities to add more freight coaches to the various lines.

A long declaration was issued by the meeting complaining of recent labor troubles in Shanghai and other parts of the country which are said to endanger the foundation of the country's basic industries. This declaration urged the public to discourage strikes and to promote harmony between labor and capital.

In the United States Court for China

IN THE MATTER

OF

A. C. ROW,

BANKRUPT.

IN BANKRUPTCY.

Cause No. 4151

Special Proceedings
No. 2030

NOTICE

Filed at Shanghai, China,
William T. Collins, Clerk.
L. T. Kenake, Asst. clerk.

NOTICE OF SECOND MEETING OF CREDITORS

To the creditors of A. C. Row, of Shanghai, China, a bankrupt:

Notice is hereby given that on the 5th day of January, 1937, the said A. C. Row was duly adjudicated bankrupt; and that the second meeting of his creditors will be held in the United States Court for China, at Shanghai, on the 3rd day of July, 1937, at 10:00 o'clock in the forenoon at which time the said creditors may attend, prove their claims, and object to his discharge, if they have any objection, and transact such other business as may properly come before said meeting.

June 21, 1937.

MILTON J. HELMICK
Judge.

In the United States Court for China

IN THE MATTER

OF

A. C. ROW,

BANKRUPT.

Cause No. 4151

Spec. Proc. No. 2030

BANKRUPT'S PETITION FOR DISCHARGE

Filed at Shanghai, China,
This 21 day of June, 1937,
William T. Collins, Clerk.
E. J. Collins, Dep. clerk.

BANKRUPT'S PETITION FOR DISCHARGE

To the Honorable Milton J. Helmick, Judge of the United States Court for China.

Albert C. Row, of Shanghai, China, respectfully represents that on the 5th day of January, 1937, he was duly adjudged bankrupt under the acts of Congress relating to bankruptcy; that he had duly surrendered all his property and rights of property, and has fully complied with all the requirements of said acts and of the orders of the Court touching his bankruptcy.

WHEREFORE he prays that he may be decreed by the Court to have a full discharge from all debts provable against his estate under said bankruptcy acts, except such debts as are excepted by law from such discharge.

Dated this 21 day of June, 1937.

A. C. ROW

Drought-Famine Exhibition Held in Kaifeng

BY C. Y. CHANG (張仲友)

CHANG CHIH-CHEN, chairman of Honan Provincial Famine Relief Association, accompanied by Liu Hsiao-hsien and several other newspapermen, left for Western Honan a few weeks ago to investigate famine conditions. They returned to Kaifeng at the end of last month. With a view to rousing the people's attention to the famine conditions in Western Honan, they exhibited photographs, taken in the famine-stricken regions, together with statistical statements concerning famine conditions, and the people's food, at the Kulo, or Drum Tower Library, situated in the center of the City.

At the entrance of the exhibition hall was put a large box, into which the visitors were requested to put their donations. On the box were pasted two large posters: (1) "Put one copper into the box, thus you save one life among the famine victims;" and (2) "Saving one famine victim's life is better than building a seven-story-pagoda." Several hundred dollars were thus collected. At the front of the box were put two books. One was an attendance book in which the visitors were invited to register their names. In the other book the visitors were invited to write their impression after seeing the exhibition.

In the exhibition hall the first thing to draw the attention of the visitors was this statistical statement: In Yuen Shih, the number of the famine victims is about 350,000, of these, 40,000 are waiting for urgent relief. About 250 have already lost their lives. In Tengfeng, the number of the famine victims is about 214,400, of whom, 32,000 have escaped and 350 lost their lives. In Mi Hsien, the number of the famine victims is about 200,000, of whom 63,000 have escaped, and 150 lost their lives. In Lin Ju, the number of the famine victims is about 170,000, of whom 350 lost their lives. In Sin An, the number of the famine victims is about 150,000, of whom 700 lost their lives. In Chia Hsien, the number of the famine victims is about 170,000, of whom 3,400 lost their lives. In Loyang, the number of the famine victims is about 30,000, of whom 250 lost their lives. In Mien Chih, the number of the famine victims is about 120,000, of whom 270 have lost their lives; and in Linpao, the number of the famine victims is about 160,000, of whom 530 have lost their lives.

The food of the famine victims consists of such things as stone powder, ordure of wild geese, grass roots, bark of trees,

etc. The photographs show that the faces of the famine victims become swollen because they eat stone powder, and some show that the feet of the famine victims become swollen because they eat ordure of wild geese. On the wall of the exhibition hall were hung many posters, the main ones being: (1) "The famine people's food—which even the dogs and the pigs refuse to eat;" (2) "The price of the young girls in the famine stricken region increases with their ages. A young girl of 15 years of age costs 15 dollars, and a young girl of 16 years of age costs 16 dollars;" (3) "In the famine stricken regions, there are no fish in the water and no birds in the sky."

PHOTOGRAPHS SHOWING FAMINE VICTIMS IN WESTERN PART OF HONAN PROVINCE



1.—Old man's feet are swollen because he eats ordure of wild geese. 2.—The old woman is gathering stone powder to serve as food.

According to the famine relief authorities of the province, the famine region in Honan covers about 90 hsien or districts, and more than 3,000,000 famine victims are waiting for relief. Following the example of Szechuen, the philanthropically-inclined residents are appealing to the Central Government to issue \$6,000,000 famine relief bonds.

Kaifeng, June 14, 1937.

Movements and Appointments in Diplomatic and Official Circles

S. Kawagoe, Japanese Ambassador to China, will arrive in Shanghai on June 29, according to Japanese reports.

Li Cheh-yi, adviser to the Fukien Provincial Government, known for his pro-Japanese attitude, left Shanghai June 22 for Foochow where he called on Gen. Chen Yi, chairman of the Fukien Provincial Government.

Rear-Admiral Tadao Honda, naval attache to the Japanese Embassy in China, arrived in Hankow June 22 from Canton by train accompanied by Lieut.-Commander Matao Okino. He later returned to his station in Shanghai.

Tsou Min-chu, who was dismissed from office as a member of the Kwangtung Provincial Government Committee for speculating in the Canton money market, was brought before the Nanking Garrison Headquarters June 17.

T. V. Soong, member of the Standing Committee of the National Economic Council and Chairman of the Board of Directors of the Bank of China, received Major-General Ou Shou-nien and Kan Tsung-hua, representatives of Generals Li Tsung-jen and Pai Chung-hsi, Commander-in-Chief and Vice-Commander-in-Chief of the 5th Route Army, in Canton June 19. They brought an invitation from the two Kwangsi leaders to Mr. Soong to visit Kweilin, provincial capital of Kwangsi, to confer on reconstruction and industrial plans.

Appeal Made for Orphans in Szechuen

An appeal for the orphans and foundlings in the drought-stricken districts of Szechuen was made by Tsao Chung-chih, representative of the Ministry of Finance, at a reception to the local military, civil and civic leaders in Chengtu, June 16. General Liu Hsiang, Chairman of the Szechuan Provincial Government, responded with a personal contribution of \$10,000, Liu Hang-shen, Provincial Commissioner of Finance, and Chen I-ting, well-known philanthropist, each contributed \$1,000, while donations were also made by others present. Altogether more than \$20,000 were raised.

Drought Sufferers Receive Donation from Poland

A donation of 1,000 Zloty, Polish currency (equivalent to \$637 Chinese currency) for the relief of the drought sufferers in Szechuen has been received by the Ministry of Foreign Affairs—through the Polish Legation—from Monseigneur H. Przeczdzicki, Bishop of Siedlce, Poland.

International Life Assurance Co. Makes Profit of \$159,742, But No Dividend Paid

A net profit last year of \$159,742.42 was reported at the seventh annual meeting of the International Assurance Co., Ltd., held at 17 The Bund, Shanghai, June 21, with F. R. Smith presiding. Notwithstanding the profit, however, no dividend was paid. Mr. Smith said the directors would have liked to recommend a conservative dividend, because they fully appreciated the loyal, patient support of the company's shareholders during the depression years. The primary consideration, however, he said, must always be the company's policy holders, and the depreciation of listed securities during the year left no choice but to add the profit to reserves.

The amount carried forward from last year, \$30,879.96, added to the net profits for the year \$159,742.42, gives a credit balance of \$190,622.38. This was allotted as follows: Transfer to general reserve (making a total of \$1,300,000) \$100,000; Transfer to life assurance fund (making a total of \$493,576.28) \$50,000; Write off furniture and fixtures \$4,185.53; Carry forward (subject to payment of general managers' commission) \$36,436.85.

Japanese Consuls and Military Officers Meet at Tsingtao

An important meeting of Japanese consuls and military officers was held in Tsingtao this week, following the arrival of the commander of the Japanese Third Fleet. The Japanese consuls in Tsingtao and Tsinan were present. Problems relating to the North China situation were discussed at the meeting.

"Small Money" Transactions to Be Banned in Kwangtung

Four measures for readjusting Kwangtung's small currency notes were announced in Canton June 20 by the Ministry of Finance through T. V. Soong, Chairman of the Bank of China, now on a special inspection trip to South China and Hainan Island. The four measures are:—First beginning from July 1, all business, private, and public transactions shall be expressed in terms of national currency. Business and financial transactions expressed in terms of Kwangtung small coin currency after that date shall be considered illegal; second, \$337,849,000 Kwangtung small coin notes, which were issued by the Kwangtung Provincial Bank and the Canton Municipal Bank up to June 19 will be converted into legal tender notes, at the rate of \$144 Kwangtung small coin notes equal to \$100 national currency. This rate shall be applied to all small coin notes in circulation before the end of the current year; third, all small coin notes formerly issued by the Kwangtung Provincial Bank and the Canton Municipal Bank shall be retired by Government banks and the Kwangtung Provincial Bank; fourth, the Kwangtung branch of the Currency Reserve Board shall retain a proportionate reserve for the small coin notes still in circulation.

Altogether \$337,849,000 paper notes were issued by the Kwangtung Provincial Bank and Canton Municipal Bank up to June 19, the day before the announcement of the four measures for the readjustment of Kwangtung currency by the Ministry of Finance, according to figures released by the aforementioned banks. Of this amount, \$28,189,000 worth of notes were issued by the Kwangtung Provincial Bank, while only \$8,666,000 notes were issued by the Canton Municipal Bank. The total of the reserve was \$337,849,000, of which cash reserve occupied \$217,049,000 and security reserve \$120,800,000.

Canton and Hongkong Bankers Support New Currency Measures

Willing support to the new currency measures has been pledged by Canton and Hongkong bankers.

At a conference of Canton and Hongkong bankers summoned by T. V. Soong, Chairman of the Board of Directors of the Bank of China, the latter explained details regarding the conversion of small coin notes into legal tender at the rate of \$144 for \$100.

Supplementary explanations were also made by Tseng-fu, Mayor of Canton and concurrently Kwangtung Finance Commissioner, Jian Chen, Deputy Governor of the Central Bank, and Tsuyee Pei, Manager of the Shanghai Branch of the Bank of China.

Japanese See Complete Surrender of Kwangtung to Nanking

The *Shanghai Nippo* said the unification of the currency in Kwangtung, contains the significance of political unification, as Kwangtung has now been placed under the entire control of the Central Government, following the reorganization of the Kwangtung Provincial Government after the assumption of office by Wu Te-chen as the Governor of Kwangtung. With strongly rooted political and economic influences and activities in South China, the *Nippo* said, the British authorities have naturally designated South China as their last line of interests and rights, due to their continuous withdrawal from the Yangtze districts because of the Japanese advance; nevertheless, whatever chances they have, they will do their utmost to expand and augment their influence from South China to the north. Thus, following the completion of the financial reform in China through the assistance of Sir Frederick Leith-Ross, the unification of the currency system in Kwangtung was naturally supported by England, which is lurking behind, the *Nippo* added.

"Complete surrender" of Kwangtung to the Nanking Government was seen by the *Shanghai Nippo* in the currency reforms carried out in the province by T. V. Soong, Chairman of the National Economic Council.

Kwangtung Arranges Loan of \$6,000,000

Tseng Yang-pu, acting Commissioner of Finance for Kwangtung is negotiating with Shanghai banks for a loan of \$6,000,000 to carry out the economic plan laid down by Gen. Chen Chi-tang, the former war lord in Canton.

T. V. Soong to Proceed to Kwangsi

The manager of the Canton branch of the Kwangsi Provincial Bank has expressed the hope that the Central Government will recall the Kwangsi notes by the issuance of a Kwangsi Financial Rehabilitation Bond of \$20,000,000 at the rate of \$1.60 of Kwangsi notes to \$1.00 of the legal tender notes.

It is reported that this suggestion has been accepted by the Central Government. T. V. Soong, has definitely decided to go to Kwangsi for the rehabilitation of the Kwangsi finances.

In the United States Court for China

TATIANA IVAN PETROFF,	Cause No. 4216
Plaintiff,	Civil No. 2095
vs.	ORDER
ALEXEY D. PETROFF,	Filed at Shanghai, China,
Defendant.	June 18, 1937.
	William T. Collins, Clerk.
	By E. J. Collins, Dep. Clerk.

The object of this suit is an action for Divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 17th day of June, 1937, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 17th day of June, 1937, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 17th day of June, 1937, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has he resided therein since June 16, 1936, and that defendant's last known address was 810 East Denny Way, Seattle, Washington, U.S.A.

NOW, THEREFORE, it is this 18th day of June, 1937, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 10th day of July, 1937, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court:

Dated at Shanghai, China.

this 18th days of June, 1937.

MILTON J. HELMICK,
Judge.

CUSTOMS NOTIFICATION NO. 1578

The public is hereby notified that in accordance with Government instructions the following note will be added to Import Tariff Heading No. 312 with effect from the 16th June 1937:

"The amount of duty leviable under this heading shall not be less than G. U. 9.60 per quintal, i. e., the maximum duty rate for sugar classified under Tariff Heading No. 397."

CHU CHANG-NIEN,
Superintendent of Customs.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 17th June 1937.

Amelia Earhart Makes Good Progress in Round-the-World Flight

Amelia Earhart, who in private life is the wife of George Putnam, prominent American publisher, who started her round-the-world flight from Miami, Florida, June 1, arrived in Singapore June 20 from Bangkok, which she had left the same morning. Miss Earhart took off from Singapore the following morning for Bandoeng, Netherlands Indies, where her Lockheed-Electra monoplane is being overhauled.

Miss Putnam's route included Porto Rico, various South American ports, then across the Atlantic to West Africa, across the Sahara to Aden, and then by way of Indian ports. She is accompanied in her flight by Fred Noonan, mechanic. Her round-the-world journey will cover a distance of 28,000 miles. Her plane cost U. S. \$80,000. It bears the name, "The Flying Laboratory."



The above map, reproduced from June *Asia Magazine*, shows the original route mapped by the American aviatrix Amelia Earhart, which was disrupted when her plane was wrecked at Honolulu several weeks ago. Following the repair of her plane she decided to fly around the world at the equator in the opposite direction and is now in process of completing the trip. The map has an added interest in that it shows the locations of Howland and Baker islands, now in process of development as additional U. S. air-bases in the Pacific. The map also shows the U. S. line of naval defense.

Eurasia Aviation Corporation Will Open Peiping-Hongkong Service Next Week

The longest airline in China, covering a distance of 2,360 kilometers and linking the north and south of the country in 11 hours of flying will be inaugurated on June 29 when the new Peiping-Hongkong line of the Eurasia Aviation Corporation opens for regular airmail and passenger service. Flights on the new route will be made twice a week in both directions. At Chengchow the line will link up the firm's Shanghai-Sian service.

The new line, which is an extension of Eurasia's newly re-opened Peiping-Hankow service, will enable North China airmail to reach India, Europe, Australia, Africa and America one day earlier. At Hongkong mail matters on board the Eurasia planes will be placed on out-going inter-continental planes.

The Eurasia Aviation Corporation will issue special covers for the first long distance flight on its new regular air route from Peiping to Hongkong and vice versa, announced to take place on June 29 and 30. These first flight covers are available at the chief administration of the Eurasia Aviation Corporation in Shanghai.

Eurasia Planes Not Allowed to Fly Over Military Airdrome in Anhwei

The *Shanghai Nippo* of June 22 stated that great anxiety is being felt by the Chinese authorities in Anhwei as a result of an airplane of the Eurasia Aviation Company, a Sino-German concern, flying over the newly-completed military airplane in Kwangteh. The Chinese authorities suspect that this German plane was flying over the area for the purpose of finding out the positions of the new airdrome. This suspicion of the authorities, it is stated, is based on the Japano-German Agreement Against Communism.

It is reported that the Anhwei authorities have notified the Eurasia Aviation Company not to send any planes below 3,000 meters over the airdrome and if this is not complied with the planes will be shot down by the authorities.

Soviet Airmen Make Non-Stop Flight Via North Polar Regions to U.S.

Three Soviet airmen (Chakalov, Baydukov and Belyakov) who set out in a plane from Moscow June 18 in an attempt to fly non-stop to San Francisco across the Arctic Circle were forced down at Vancouver, Washington, early in the morning of June 20 as the result of a broken oil line. The town of Vancouver here mentioned is situated across the Columbia River from Portland, Oregon, and is not to be confused with Vancouver, B. C., which lies more than 200 miles to the north, in British territory. The Soviet airmen did not attain their object of making a non-stop flight to San Francisco, but they did make a historic flight nevertheless, having flown non-stop from Moscow over the North Polar regions to the United States.

The greater part of the journey was over the frozen wastes of the Arctic, and the success of the flight is taken to have demonstrated the possibilities of a new air route via the North

Pole. The flight, which was intended to demonstrate the feasibility of a regular commercial airway between Soviet Russia and the American continent, was the first of its kind ever made. President Roosevelt and Cordell Hull, Secretary of State, both telegraphed their congratulations to the Soviet airmen, as did the Nanking Government.

The Soviet airmen decided to send their own plane back to Russia by steamer. They later proceeded by a commercial air liner to San Francisco, where they were accorded a rousing welcome.

Japan Trade Association Urges Expansion of Air Mail Service

The Japan Trade Association, opening a regular meeting at the Osaka Club June 14, decided to make a proposition to the Government for the opening of the six new air mail services including Manchuli-Chita, Japan-Shanghai, Taihoku-Hongkong, Taihoku-Singapore, Japan-Vladivostok and Dairen-Tientsin-Tsingtao, with the object of further facilitating the trade activities of Japan.

£1,000,000 Airport Opened at Singapore

A signal rocket fired after an address by the Governor of the Straits Settlements, Sir Shenton Thomas, inaugurated the new £1,000,000 Singapore Airport, two miles from the heart of the city, June 12. A vast circular domed field with a clear run of 1000 yards in any direction, the airport is a marvel of civil engineering.

There are facilities for flyingboats to land in sheltered water, with a deep-water wharf and slipway. The airport also has provision for the Royal Singapore Flying Club and the Volunteer Air Force.

Hut Dwellers Mutual Association Push Scheme to Build Low-Rent Workers' Houses

Reports published in the Chinese papers according to which the in Shanghai Municipal Council was planning to demolish another large group of squatters' huts in the western area of the Settlement were characterized this week as "absolutely without foundation" by Stirling Fessenden, Secretary-General of the Shanghai Municipal Council. The Chinese reports stated that the Council had ordered the hut dwellers to tear down their structures by the end of this month. In denying the reports Mr. Fessenden stated that the Council has issued no notice and is not contemplating any hut demolition in the near future.

One of the effects of the reports was to give further impetus to a movement started by the Hut Dwellers' Mutual Association for the construction of low-rent workers' houses operated along the line of the City Government model villages. A committee has been formed among various groups of squatters to actively promote this movement. One of the proposed plans is based upon the monthly contribution of 50 cents from each hut owner. The fund, this accumulated through three or four years, would be used in building and maintaining the proposed low-rent houses.

Formal Anglo-Japanese Talks to Begin in Near Future

A *Domei* message from London June 22 stated that authorization to initiate formal conversations for an all-around readjustment of Anglo-Japanese relations with the British Government had been received by Ambassador Shigeru Yoshida.

The discussions, it was understood, would cover:

1. Anglo-Japanese commercial relations, and
2. The China problem.

The general lines along which the conversations should be pursued were also given by the envoy, who will soon seek an interview with Capt. Anthony Eden, Foreign Secretary, to broach the problem.

In view of the important part played by the British Empire trade in Japan's economic life, stress will be placed in coming to an agreement on the commercial issue, *Domei* understood. The Chinese question, it was stated, would only be of secondary importance.

The first meeting between Mr. Yoshida and Capt. Eden probably will be held before the summer holidays.

Chang Tse-chung to Be New Puppet in North?

That General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, should take a longer rest in his native place so as to let General Chang Tse-chung, Mayor of Tientsin, bear the full responsibility of Sino-Japanese negotiations in North China was the demand submitted to Mayor Chin Teh-chen of Peiping by General Hashimoto, Chief-of-staff of the North China Japanese Garrisons, at a meeting in Peiping on June 18.

A similar demand was also submitted to Mayor Chin by the Japanese Consul General in Tientsin and the Charge d'Affaires of the Japanese Embassy in Peiping, and was transmitted to General Sung by Wang Shih-chiu, who has left for Lohlin where General Sung is now hiding from the Japanese.

The *Wai Lun News Agency* says that it is now an undeniable fact that Mayor Chang Tse-chung, instigated by his subordinates, has started a movement to oust General Sung from the North China Regime. General Chang has not met General Sung since his return from Japan some time ago.

No Negotiations Towards Abandoning British Extraterritorial Rights in China

In reply to a question by an Opposition Liberal member in the House of Commons June 22 Viscount Cranborne, Under-Secretary of State for Foreign Affairs, denied that negotiations were contemplated or were proceeding for the abandonment of British extraterritorial jurisdiction in China.

No change is contemplated in the foreign policy of the United Kingdom Government, as a result of the deliberations of the Imperial Conference, Foreign Secretary Anthony Eden told a questioner.

United States Stated to Be Trying to Modify Britain's Trade System

Modification in favor of the United States of the preferential trade margins provided under the Ottawa trade treaties of 1932 is being sought by American representatives in connection with the negotiations for an Anglo-American trade agreement, authoritative sources disclosed in London June 1. It is believed, however, that the British Dominions are planning to demand concessions by Washington. It is understood that proposals regarding the projected London-Washington trade treaty were submitted recently to the Canadian delegation to the Imperial conference.

Kurdish Tribesmen Revolt Against Turkish Domination

A telegram from Istanbul June 16 furnished details of a serious revolt of Kurdish tribesmen, in the Dersim area, whose chieftains are opposed to Government reforms. According to official documents the Turkish Government sent 25,000 troops with aircraft against the rebels.

Japanese to Seek Cradle of Asian Peoples

With the active assistance of the Tokyo Foreign Office, a large group of leading Japanese archeologists departed from Tokyo June 15 for Jehol, in search of the cradle of East Asiatic peoples. The group's findings will serve as the basis for a bigger expedition, which is expected to start excavations in Jehol next year under the supervision of Dr. Shimamura.

Tokyo Rejects 14-Inch Gun Calibre Plan

The Tokyo Foreign Office, after consultation with the naval authorities, June 16 decided to reject Washington's approaches to reconsider adherence to the 14-inch gun calibre and the limitation of battleships.

In the United States Court for China

In re.

ESTATE

of

ERNST B. FILSINGER

Deceased.

Cause No. 4214

Special Proceedings
No. 2093

NOTICE

Filed at Shanghai, China,
June 3, 1937.

William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Ernst B. Filsinger, deceased, to present the same with vouchers to the undersigned on or before December 12th, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

N. E. LURTON

330 Szechuen Road

Shanghai, China

Shanghai, China.

CUSTOMS NOTIFICATION NO. 1579

The public is hereby notified that in accordance with Government instructions the following revised rates will be enforced forthwith under Import Tariff Heading No. 420:

- | | |
|---|----------------------|
| (a) Value over Gold Units
10 per 1,000 and all
cigarettes not bearing
a distinctive brand or
name on each cigarette | 80% ad valorem |
| (b) Value over Gold Units
6.4, but not over Gold
Units 10, per 1,000 .. | G. U. 7.60 per 1,000 |
| (c) Value over Gold Units
4.8, but not over Gold
Units 6.4, per 1,000 ... | G. U. 5.80 per 1,000 |
| (d) Value over Gold Units
3.2, but not over Gold
Units 4.8, per 1,000 ... | G. U. 4.00 per 1,000 |
| (e) Value over Gold Units
1.6, but not over Gold
Units 3.2, per 1,000 .. | G. U. 2.50 per 1,000 |
| (f) Value Gold Units 1.6
or less per 1,000 ... | G. U. 1.40 per 1,000 |

CHU CHANG-NIEN

Superintendent of Customs.

L. H. LAW FORD

Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 19th June 1937.

\$3,778,000 FROM BRITISH BOXER BOARD; U.S. \$350,000 FROM ROCKEFELLER FOUNDATION-FOR EDUCATION

(Continued from page 122)

4. Hsiu Yeh Higher Agricultural and Vocational School, Hunan, for equipment \$10,000.

As to the balance of \$260,000 it was applied to the following grants:—

1. Ministry of Education, for free education \$120,000.
2. Charhar Provincial Government, for the establishment of a model primary school, \$10,000.
3. Ninghsia Midwifery School, for construction and equipment \$10,000.
4. Suiyuan Midwifery School, for construction and equipment \$10,000.
5. Tsinghai Midwifery School, for construction and equipment \$5,000.
6. Kweichow Midwifery School, for construction and equipment \$10,000.
7. Yunnan Midwifery School, for equipment \$10,000.
8. Kwangsi Midwifery School, for construction and equipment \$10,000.
9. Anhwei Midwifery School, for construction and equipment \$10,000.
10. Hunan Midwifery School, for construction and equipment \$10,000.
11. Fukien Midwifery School, for construction and equipment \$10,000.
12. Higher Midwifery School attached to St. Luke's Hospital, Fu-Tien-hsien, Fukien, \$5,000.
13. Vocational School attached to the Kwangchi Hospital, Hangchow, \$10,000.
14. Cheng Ta Islamic School, Peiping, for construction \$10,000.
15. Northwestern School, Peiping, for construction \$10,000.
16. Shansi Oberlin Memorial School, Department of Rural Service, for equipment \$10,000.

It was also decided that \$280,000 from other sources be appropriated separately for the following enterprises:—

1. Education in the northwestern provinces of Suiyuan, Ninghsia, Tsinghai, and Kansu, \$200,000.
2. Vocational Education sponsored by the Central Executive Committee in the frontier provinces, \$30,000.
3. \$50,000 to assist the Ministry of Education in their five-year project for the manufacture of scientific instruments for senior middle schools.

A grand total of \$3,778,000 has, as will be seen, been appropriated for the various classes of educational and cultural enterprises mentioned above.

Rockefeller Institution Grant of U.S. \$350,000 Helps Many Institutions

Returning last week from the United States after an absence of several months, Selskar M. Gunn, Vice-President of the Rockefeller Foundation, reported that the third (and final) allotment of about U.S. \$350,000 had been made from the total grant of U.S. \$1,000,000 by the Foundation for the continuation of work in China. It was also learnt that at a meeting of the Board of Trustees at New York City in April, Mr. Gunn was authorized to draw up and present a continuation program to last over an indefinite period of years.

Funds at present allotted will cover the period for one year starting July 1, 1937. It is believed, however, that the Foundation will see fit to continue its work in China in the future. The interest has been confined mainly to the problem of rural reconstruction through the assistance of individuals, private institutions and the Government in carrying out projects calculated to raise the level of existence among people of the soil.

Mr. Gunn will begin immediately a series of consultations with leaders in rural reconstruction work in order to lay out a new budget. It is the policy of the Foundation to entrust the expenditure of grants of money made in many different parts of the world to individuals who are recognized leaders in their fields rather than to embark upon any research campaigns on its own responsibility.

This year four branches of the Government, including the Ministry of Education, the National Agricultural Research Bureau, the National Central University and the National Health Administration, are being aided. Other institutions receiving the support of the Foundation include the Chinese Mass Education Movement, Lingnan University, Nankai University, the University of Nanking and Yenching University.

Mr. Gunn emphasized the fact that the Foundation hopes that all credit for any benefits which may be forthcoming from the grants will accrue to the institutions themselves rather than to the donors.

At the present time, the Foundation is working with the Chinese Mass Education Movement under Y. C. James Yen, the Nankai University, the Yenching University, the Department of Agricultural Economic of the University of Nanking, the National Agricultural Research Bureau and the National Health Administration.

In its future program the Foundation's rural reconstruction work will follow the same line as during the past two years, Mr. Gunn explained. "It is our belief," he said, "that the Chinese know much better than the foreigners do as to what kind of rural program is applicable to existing conditions. Our work is to pick out several existing Chinese programs and concentrate our money and energy in those directions."

The North China Council of Rural Reconstruction was organized last year to direct the different phases of the project in that locality. It is to this body that the Foundation grants its fund for carrying out a portion of the work.

One of the phases of the Foundation's work is carried out through Mr. Yen's Mass Education Movement, which received in 1936 a grant of U.S. \$50,000 for the program at Tingsien.

Grants have also been made to Yenching University and Nankai University for training men and women for administrative posts in rural work. Similarly, appropriations have been made to the Department of Agricultural Economics at the University of Nanking. Financial aid was also given to the Department of Animal Husbandry and Veterinary Medicine of the National Central University and the National Agricultural Research Bureau.

In the field of public health, financial assistance was given by the Foundation to the National Health Administration for public health training, and to the Ministry of Education toward the expenses of its Commission of Medical Education. These grants are being used chiefly to extend and intensify the educational courses which are now being given under government auspices in order to meet the growing demand for trained public health personnel.

In addition to these direct-aid projects, the Foundation is also carrying out an extensive program of fellowship to matured men and women for further training and research abroad.

The Foundation's present work, it was explained yesterday, was being carried out in co-relation with activities of the Rockefeller-endowed China Medical Board, Inc., and the Peiping Union Medical College.

During the past 20 years, Mr. Gunn revealed, the Foundation has spent no less than U.S. \$40,000,000 in its aid programs in China.

East China College Conference to Be Held on Pootoo Island

The East China College Conference will be held from June 29 to July 6 on Pootoo Island. Seventy college students representing 17 colleges and universities in Kiangsu and Chekiang are expected to attend the meeting.

A number of local colleges have been appointed to take charge of various parts of the program. These include the University of Shanghai and Soochow University, secretary; Great China, recreation; Chiao-tung, service; Fuh-tan, athletics; St. John's, discussions. Other universities which have been assigned duties are Ginling Girl's College, chairman; Hangchow Christian College, business; Ginling, music; National Central University and Chekiang Provincial University, publications; Tsinan University, amusements; Nantung, service; University of Nanking and Chung Shen, health; Nanking Theological Seminary, religion; Hangchow Christian College, accounting.

Among those who will lead this gathering of college youths, both boys and girls, will be Miss Tsai Kwei, Miss Keng Li-shu, Miss Hsieh Tsu-i, Dr. Chen Wen-po, Mr. Chu Pei-en.

257 Are Graduated from Tsing Hua University

The ninth commencement exercises of Tsing Hua University were held June 18, when 257 students from the four colleges of arts, science, law and engineering received their certificates. Mei Yi-chi, Chancellor of the University, presided. After the usual Kuomintang ritual was observed Mr. Mei made a brief address.

Dr. Paul Monroe, Professor of Education at Columbia University, was the principal speaker at the morning exercises. The presentation of certificates followed an address by Chang Tze-kao, Professor of Chemistry, who represented the faculty. A member of the graduating classes then delivered a farewell address in response.

Of the 257 students who graduated the largest number came from the department of economics, which contributed 45. The department of civil engineering was second with 38, while the department of mechanical engineering was a close third with 32.

St. John's Commencement Exercises Will Be Held June 26

St. John's University will hold its forty-eighth commencement exercises June 26 at 5 p.m. The principal address will be made by Dr. Chang Po-ling, President of Nankai University, Tientsin.

University of Shanghai Will Dedicate New Auditorium

The University of Shanghai will hold its twenty-fifth commencement exercises on June 26 at 4.30 p.m. At the same time the new Auditorium will be dedicated.

Who's Who in China

Tien Chung-chin, Government official; born at Chingyang, Kansu, 1899; studied at Nankai Middle School, Tientsin; graduated from the National Peking University; attended University of Missouri, University of Washington, U.S.A.; received the



田 炯 錦
Tien Chung-chin

degrees of M.A. and Ph.D. in Political Science from the University of Illinois; Professor at the Northeastern University, Central Political Academy and Central University; member of the Control Yuan; member of the Supervisory Committee for the 2nd Higher Civil Service Examination; President of Kansu College; now member of the Kansu Provincial Government and concurrently Commissioner of Education; author of the following books: "The Relation of the City to the State," "State Supervision Over Municipal Finance in England and the United States," "An Outline of the Federal Government;" address: Department of Education, Kansu Provincial Government, Lanchow, Kansu.

田炯錦字雲青，年三十八歲，甘肅慶陽縣人，畢業于天津南開中學，北京大學哲學系，美國米蘇里大學，華盛頓大學，意大利諾大學碩士，博士。曾任東北大學政治系教授，中央政治學校，中央大學教授，國民政府監察院委員，第二屆高等文官考試監試委員，甘肅學院院長，現任甘肅省政府委員兼教育廳長。通信處：甘肅省蘭州教育廳

Institute of Materia Medica to Study Chinese Medicinal Herbs

For the study of indigenous medicinal herbs the National Health Administration has recently established a National Institute of Materia Medica and Chemotherapeutics. The Institute will erect a building back of the National Epidemic Prevention Bureau in the vicinity of the Central Field Health Station. The Institute is headed by Dr. S. K. Liu. There are 15 staff members, four on the senior staff, four research assistants and seven technicians.

The pharmacological division consists of four laboratories: Pharmacology, Physiology, Therapy and Toxicology. The chemical division is sub-divided into Pharmaceutical Chemistry, Organic Chemistry, Biochemistry, and Physical Chemistry. Besides studying herbs, the institute undertakes also to invent and improve laboratory apparatus.

Deeply interested in this work, a German drug company, Merck in Darmstadt, recently sent a representative to the institute to make investigations. As a result of the investigations, the company has made special arrangements with the institute to study and manufacture *Fritillaria* (Pei-Mu) and *Rhodea Sinica* (Wan-Nien-Chin).

WHO'S WHO IN CHINA —5th EDITION

Contains more than 1,500 biographies of Chinese leaders in Government Service, Private Commercial and Professional Life; also includes the biographies of a number of prominent Chinese women. Price \$10 a copy, including postage, in China or U.S.\$5 if mailed abroad. Special Offer:—Send \$16 (Chinese Cy.) and receive *The Review* for a full year and also a copy of *Who's Who*; if abroad send U. S. \$11. Send orders with check or postal order to

THE CHINA WEEKLY REVIEW
160 Ave. Edward VII, Shanghai.

CUSTOMS NOTIFICATION NO. 1580

In continuation of Notification No. 1576, the public is hereby notified that, in accordance with Government instructions, the following revised rates for the levy of Consolidated Tax will be effective as from the 1st June 1937:

Refuse cotton yarn (下脚棉紗或同絲) \$1.24 per 100 kg. Native cotton piece goods (i. e.) direct products of cotton yarn 5% *ad valorem*.

CHU CHANG-NIEN,
Superintendent of Customs.

L. H. LAWFORDE,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 19th June 1937.

CUSTOMS NOTIFICATION NO. 1581

The public is hereby informed that, in order to protect the revenue against fraud through unscrupulous merchants removing the chrysalises from Doupions (Double Cocoons), the Government have ruled that the following addition is to be made to Export Tariff heading No. 170:—

Doupions originally fit for reeling from which the chrysalises have been removed are to pay duty at double the rate specified under Tariff heading No. 170.

CHU CHANG-NIEN,
Superintendent of Customs.

L. H. LAWFORDE
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 19th June 1937,

Can Japan Survive?

This pamphlet of a dozen pages embraces a series of articles dealing with Japan's present problems, which were written by Nugent Rugge and published in *The Review* in March and April of this year.

Copies may be obtained at 15cts. each or \$1.50 for a dozen, including postage. Send orders

to

THE CHINA WEEKLY REVIEW
160 Ave. Edward VII
Shanghai.

Men and Events

Miss Jane Howard, daughter of Roy Howard, editor of the New York *World Telegram*, has joined the staff of the Honolulu *Advertiser*.

Mrs. J. B. Grant, wife of Dr. Grant, head of the Rockefeller Foundation in Shanghai, entered the Country Hospital this week with a slight gastric ailment.

Dr. Heng-Chih Tao, Chinese writer and lecturer in the United States, delivered an address on Chinese poetry at the annual Journalism convention at the School of Journalism, University of Missouri, Columbia, Mo., on May 5.

Frank Michaelian, general manager of Michaelian and Kohlberg, dealers in Oriental rugs and carpets, 295 Fifth Avenue, New York, has returned to New York following an extensive business trip to Peiping and Tientsin.

C. J. Chancellor, Far Eastern General Manager of Reuters News Agency, left Shanghai June 22 for England via Siberia. He will be in England for about three months. During his absence W. R. Mowll will be in charge of Reuters' Shanghai office.

The death occurred in Shanghai June 21 at the age of 29 of Mrs. Vera Concoff, nee Gensburger. She is survived by her husband Nat. Concoff, an infant son and three brothers who are engaged in business here, F.M., V.D. and Emil Gensburger.

The annual meeting of members of the Royal Asiatic Society (North China Branch) was held in the Wu Lien Teh Hall, 20 Museum Road, Shanghai on June 24, when the reports of the officers and a statement of accounts were passed and officers and members of the Council for the ensuing year were elected.

The highest temperature recorded in Shanghai on the occasion of the Summer Solstice (in Chinese, "Hsiah Chih," the longest day of the year—not days and nights equal as mentioned in this column last week) June 22, was 77 degrees Fahr., an exceptionally low figure for this time of the year. The sun rose at 4.58 a.m. and set at 7.05 p.m.

Raymond C. Mackay, an assistant in the Far Eastern Division of the U. S. State Department, is due in Shanghai the end of this week. He arrived in Canton about a fortnight ago and later visited various cities in Central China. His wife is a daughter of Dr. John C. Ferguson, well-known sinologue and authority on Chinese affairs.

The thirty-ton door of the vault for the new Bank of China Building was moved during the night of June 21 from the Peking Road jetty, across the Bund and up to the alley adjoining the Bank's new skyscraper on the Bund. The vault door, made in the United States, is 9 ft. 11 in. long, 8 ft. 4 in. wide and 5 ft. 8 in. in height. It is equipped with the latest devices for foiling bank robbers.

The annual meeting of the Shanghai University Club will be held Tuesday, June 29, 12.15 p.m., at the American Club, 209 Foochow Road. Reports will be presented and election of officers for the ensuing club year will take place at the meeting. The guest of honor and speaker at the meeting will be the retiring Chinese Ambassador to the United States, Dr. Sao-ke Alfred Sze.

Concluding a sight-seeing trip in the United States and Europe, Mrs. Wu Wen-tsao, nee Hsieh Wan-ying, well-known Chinese authoress, departed from Moscow June 20 for Peiping in company with her husband, Dr. Wu, professor of sociology of the Yenching University. The noted couple, who had attended the tercentenary celebrations of Harvard University, are expected to arrive in the former capital June 29.

The *Shanghai Nippo* June 22 stated that under the general movement of training all people in China with the knowledge of fighting, for resistance against an aggressor, a number of societies have been formed including the Sanho society, the Shichyi society in Shanghai, Nanking and Hangchow. Members of these societies, the *Nippo* stated, are monks, nuns, prostitutes, Moslems, Christians, members of the Red and Green circles, and dancing girls.

Mrs. O. K. Yui, wife of the Acting-Mayor of Shanghai, entertained at a tea-party at her residence on Route Boissezon in June 19. The occasion was a farewell to the delegates who are going abroad as China's representatives at the Fourth Pan-Pacific Women's Conference at Vancouver B. C. Over 50 Chinese women were present to bid farewell to Mrs. H. C. Mei and Mrs. B. K. Wong, who sailed the following day on the *President Jackson*.

The Huchow Native Guild, whose headquarters are at the corner of Peking and Kweichow Roads, have petitioned the Shanghai Municipal Council to change the name of Peking Road to Chen Ying-hsih Road, in honor of General Chen Ying-shih, better known among foreigners as General Chen Chi-mei. A leading revolutionary member under the late Dr. Sun Yat-sen, General Chen was responsible for the uprising in Shanghai which in 1911 resulted in the capture of the city by the republican forces. He was subsequently appointed the military governor of the city. In working against the government headed by the late President Yuan Shih-kai few years later, he became one of the leading political foes of the Peking regime. He was assassinated at his Rue Chapal residence on May 19, 1914. The day has since been observed as a "revolutionary anniversary day."

The Foreign Y. M. C. A. of Shanghai is soliciting funds for the summer camp which it has established at Tsingtao. It is hoped to raise a total of \$7,500. The Y. M. C. A. sends several hundred girls and boys to Tsingtao every summer. The arrangements are in charge of E. J. Ottewell, chairman of the Junior Division Committee. The camp at Tsingtao will be under the direction of Harold P. Brown, physical director of the Shanghai American School, and Han Bojesen, Junior Division Secretary.

No British subjects had been kidnapped or murdered in China in the last 12 months, Anthony Eden, Secretary of State for Foreign Affairs, stated at question time in the House of Commons June 16. The members greeted the announcement with cheers. Mr. Eden declared that it was not possible to give full details regarding the extent to which the lives and property of Britons had been adversely affected during the course of the year. All possible efforts, however, had been made to safeguard them, he added.

Five Chinese, all wearing Japanese clothes, were arrested by Shanghai Municipal Police detectives at the Wayside Wharf when the s.s. *Shanghai Maru* arrived in Shanghai from Japan June 21. Acting on information supplied by the Nagasaki police, detectives rounded up the suspected Chinese on board the ship and took them to the police station for questioning. All five men, hailing from Kaohsin, Fukien province, booked passage on the ship at Nagasaki giving their profession as dry goods merchants and their address as 15 Shinmachi, Nagasaki. According to the Japanese police, they committed a series of thefts and were fleeing to China to dispose of their loot.

I. H. Young, Associate General Secretary of the Chinese Y.M.C.A. of Shanghai, returned this week from a 10 months tour in Europe and the United States studying Y.M.C.A. work. Mr. Young is resuming his work as Associate General Secretary of the Y.M.C.A. in charge of the program of the Y.M.C.A. Mr. Young's 10-months trip abroad was more or less in the nature of a reward for 17 years of faithful service with the Chinese Y.M.C.A., according to K. Z. Loh, General Secretary. Mr. Young will be honored at a reception by the staff of the Chinese Y.M.C.A. of Shanghai, tentatively set for next Monday, at which time Mr. Young will make a report on his trip.

The Ming Sung Industrial Company of Shanghai has bought for \$41,500, Chinese currency, the veteran U.S.S. *Palos*, sister ship of the gunboat *Monocacy*. The old vessel, which is now at Chungking, will become a barge. Dismantling has already started. Since the time she was commissioned, June 24, 1914, the *Palos* has been in Chinese waters as a member of the Yangtze River Patrol. Her record includes two major engagements and 22 minor actions. The *Palos* is known to men of the United States Navy as a "mail-order" ship. The keel of the vessel was laid down in April, 1913 at Mare Island, California. She was built in sections and then shipped to Shanghai on a steamer. Her sister vessel, the *Monocacy*, was built and shipped to the Orient in the same way.

After a generally uneventful voyage, Frederick Snite, Jr., who has been living in an "iron lung" for more than 14 months, arrived in San Francisco safely June 19, aboard the *President Coolidge* from Shanghai. During the entire trip the patient, who is suffering from infantile paralysis, was constantly attended by three nurses, while the door of his cabin was guarded by several stewards in order to keep away intruders. From San Francisco Mr. Snite was conveyed to Chicago, where he will undergo treatment at the hands of specialists. The young American was accompanied by a large party including his father and mother, Dr. C. E. Forkner, of the Peiping Union Medical College, where the patient spent more than a year, and seven Chinese nurses.

One of the interesting visitors to Shanghai at the present time is Professor Hassanand R. Batheja, who has been associated with several universities in India and has served on various Indian Commissions, such as Banking Enquiry, Enquiry into Agricultural Indebtedness, etc.; he has also been a member of the Indian Tariff Board. He is making a tour of this country with a view to seeing something of "living China," in the hope of drawing lessons from which the people of India may benefit. He recently called at the University of Nanking and later proceeded to North China. Before coming to China Prof. Batheja made a tour of Japan.

A student of the Northeastern University, named Yin Chuen, has sent an account of the demonstration made by the students of said University last month and details of the trip which they attempted to make to Nanking by commandeering a train, with the object of presenting a series of demands to the Ministry of Education regarding the future of the University. The most interesting part of the students' trip occurred on May 22 when they were stopped in their southern journey by "soldiers, police and gendarmes" at Liu Chuen on the border of Shantung and Kaingsu. The students found themselves in the end compelled to return to Peiping, but they had the satisfaction, at any rate, of being warmly welcomed by hundreds of sympathizers upon their return to the former Capital.

O. G. Steen of the Dollar Steamship Company and W. C. Cassels of the Hongkong and Shanghai Banking Corporation have been elected to membership on the Board of Trustees of the Shanghai Foreign Y.M.C.A.

The death occurred in Shanghai June 18 at the age of 80 of Carl Herzberg, who, had been a resident of Shanghai for 54 years. Funeral services were conducted in the Jewish Cemetery on Baikal Road June 19, with the Rev. M. Brown officiating. The surviving relatives in Shanghai of the deceased are the widow, Sarah, two sons, Gus and Max, and a daughter, Mrs. W. J. Hoffman. There are two other daughters, Mrs. E. H. Staber, who is in the U.S.A., and Mrs. L. E. Nantz, in Manila.

British Wife of Prominent Chinese Found Dead in Shanghai Hotel

Mrs. Wu Yuan-lung, (formerly Miss, Kathleen Neary of London) the British-born wife of the son of Wu Ting-chang, Minister of Industry, was found dead in the bathtub in a room at the Asia Hotel in Shanghai on the afternoon of June 18. An inquest, including a post-mortem examination, was conducted the following day. A note written by Mrs. Wu to her friend, also a British woman who married a Chinese, was produced in the coroner's court. In that letter, the deceased declared that she was taking her own life. Mrs. Wu apparently took four sleeping tablets, as out of the 100-tablet bottle found in her handbag, only 96 tablets were found. According to Attorney N. M. Schooling, whom Mrs. Wu consulted some time ago when marital trouble flared up, Minister Wu had given his British daughter-in-law allowances of \$200 each for two months only, in April and May. About the middle of May, Minister Wu wrote to her that he would not grant any further allowances. Mrs. Wu married Mr. Wu in January, 1936. They lived together for seven or eight months until Mr. Wu opened a ballroom and became interested in a taxi-dancer, whose name was mentioned. The present whereabouts of Mr. Wu are unknown.

Official Celebration of American Independence Day Will Take Place July 5

As Independence Day this year falls on Sunday, the official celebration will take place July 5. The annual reception of the United States Consulate-General will be held at the Columbia Country Club between 11.30 and 12.30 o'clock. The affair will be closed to women this year and will be given particularly for Chinese and foreign officials. Following this reception, the members of the American Club and their guests will gather in the main dining room for a buffet tiffin from 12.30 to 1.30 p.m.

Flag-raising under auspices of Fourth Marines, on Poto Field, July 5, 8 a.m.

On Sunday the United States Fourth Marines will hold a special program at its regular Sunday service at the Cathay Theater. Judge Milton J. Helmick will be the guest speaker.

Columbia Country Club Will Hold Fourth of July Party

The Columbia Country Club of Shanghai will hold a Fourth of July Party on Saturday evening, July 3, features of which will be fireworks, dancing, music on the lawn and a buffet supper. No dinner will be served. The fireworks display will take place at 9 p.m.; the buffet supper at 10.30 p.m. Admission has been set at four dollars per person. Tickets may be had on application to H. W. Pilcher, secretary.

Japanese Express Concern Over "Smuggled Goods Boycott Movement"

Japanese business and official circles in Shanghai are showing increased concern over the expanding movement in China to boycott smuggled goods which, it is feared, automatically will affect the free flow of Japanese products legitimately imported into China. Charges that the "smuggled goods boycott movement" is a camouflage for a revival of the anti-Japanese boycott have already been made in some of the Japanese newspapers in Shanghai.

Ignoring the Japanese resentment, Chinese public bodies are proceeding with their plans to sponsor and to push the movement against smuggled goods, most of which, being illicitly imported through the "East Hopei Autonomous State," are of Japanese origin. It is stated that a meeting is to be held at the Chinese Chamber of Commerce building, North Soochow Road, June 27, at which an oath-taking ceremony is to be staged with the participants vowing not to buy, sell or in any way deal with smuggled goods.

Smuggling Discovered in Szechuen Province

A Japanese ship was found smuggling goods into Szechuen at Wanhsien June 22. In a letter to the Customs authorities, the Japanese consul in Ichang asked the former not to search the Japanese ships, but the request was flatly refused by the Chinese authorities.



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New Books of Interest in the Far East

A Champion of the Lower Middle Class Arises

A Time To Remember, By Leane Zugsmith, Random House, New York, U.S.\$2.00.

A new interpreter of the American scene has arisen in the person of Leane Zugsmith, and on the strength of "A Time To Remember" it is safe to assume that her place will be an assured one. As the background of her story, she has chosen a field heretofore neglected by other novelists—the present predicament of the lower middle class. The author's characters are truly human—alive with the hopes and fears of ordinary mortals, they struggle for existence in a world of ever-growing complexity. The stirring humanity and realism of her work are its most outstanding characteristics.

Within the framework of a department store setting the story revolves around the efforts to form a union by a few courageous souls who are awake to the wrongs and injustices practiced upon their fellow employees. Conditions from the workers' point of view are exceedingly bad in the "Diamond Store," but traditionally organization is alien to them. Guided by their awakened leaders they struggle to separate themselves from this traditional middle class background and to identify themselves with the mass of workers in other fields; they realize that, after all, their interests are more closely allied with the workers than with the employers with whom previously they were united both by inertia and through a mistaken belief in the "success story." America's "Forgotten Man" is finding out why he has been forgotten.

Miss Zugsmith is unquestionably the champion of the lower middle class in its endeavor to obtain the wherewithal for a decent existence; but, considering her natural bias, she does not overstate the case for the workers. Perhaps conditions in the Diamond Store are depicted as worse than those in the majority of department stores in America, but it would be quite easy to find a number where the situation is actually more pernicious than in this hypothetical store. The people who move through the pages of her book are not heroes because they are workers nor villains because they are employers. Both have been caught by a swift tide of circumstances not entirely of their own making; their ideas have been molded, their actions motivated by social inheritance and environment.

Indicative of the social awakening that is taking place, the book delineates the increased reaction of the white-collar class against its middle class education which has been but a carefully fostered illusion—the means to prevent its obtaining just terms of employment. Simply yet stirringly written, it is impossible to dismiss Miss Zugsmith's book on the grounds that it deals with what should be a forbidden subject. Such an attitude is intolerant and unthinking. The mental pigeon-holing of unpleasant problems does not contribute to their solution, rather let them be brought into the light of day that something may be done. If this book were not well-written, if it did not possess dramatic qualities, it would still be worth reading for the reality of the social problem with which it deals.

D. D.

Flower Arrangement as an Art

Japanese Flower Arrangement, by Margaret Preininger, for Modern Homes; Little, Brown and Company, Boston.

The ways of the Orient differ from those of the Occident and the customs of its people, while understood by the East are perplexing to the West; but the Oriental people with their true culture and pursuit of art, have brought about a mutual and universal understanding. Westerners have become acquainted with that culture through her arts, and Japanese flower arrangement is world renowned. It has so impressed the world with its simplicity, beauty and effectiveness, that not only is it given a special recognition in Japanese schools but also has been adopted in Western schools.

Miss Preininger has recognized the Oriental's ability to bring natural beauty into the home, and incorporates the knowledge she has gained through intensive study as re-creating color rhythm through the intelligent use of flowers and foliage; theory of color rhythm in flower arrangement, with its perfect spacing and symmetrical balance, in this splendid book.

It is a scientific study, giving the origin and history which developed into a definite art in Japan and years later into a school, from which numerous other schools have developed, differing slightly in detail, until today, consequently, one pursues the study of the art of flower arrangement. This art of Japan is not only more popular today than even before but every young Japanese woman is required to study this art as young women of the Western World study music and art. The author takes up the fundamental principles, classification, formal, semi-formal and informal arrangements, and presents each with detailed diagrams, thus enabling the readers to use this excellent edition for a text book.

The photographic illustrations accompanying each arrangement study are worthy of separate frames to adorn the walls of modern homes. The author I am sure will successfully stimulate her readers with this creative art of beautifying the home, bringing tranquility and peace of mind and altogether producing a cheerful atmosphere, which is so ardently expressed by the Japanese people in their pursuit of this fascinating ancient, yet modern art.

M. P. W.

A Dictionary of American English

A Dictionary of American English on Historical Principles, edited by Sir William Craigie and James R. Hulbert. University of Chicago Press, U.S. \$4. Part 1-A—Baggage.

The first part of what will undoubtedly be a monumental work of vast importance to all students of the English language, and to every American, has come from the press of the University of Chicago, in the form of *A Dictionary of American English on Historical Principles*, Part 1, A-Baggage. This work is being edited by the world-famous Sir William Craigie, co-editor of the Oxford English Dictionary, originator of the Craigie System of Phonetics, professor emeritus of English at the University of Chicago, and James R. Hulbert, professor of English at the University of Chicago. George Watson is associate editor, Mitford M. Mathews and Allen Walker Read assistant editors.

The object of a dictionary of American English is, as fully as possible to exhibit clearly those features by which the English of the American colonies and the United States is distinguished from that of England and the rest of the English-speaking world. This work will include not only words and phrases which are clearly of American origin, or have greater currency there than elsewhere, but also every word denoting something which has a real connection with the development of the country and the history of its people.

Because of the magnitude of the task, the editors selected the end of the nineteenth century as the point to terminate the admission of new words. However, the illustration of such words is frequently carried into the first quarter of the present century. Slang and dialect words are not included unless early admitted to the "American" language, or of special prominence.

Ten years have been spent in collecting the material, and preparing this first part for printing. The greater part of the work was done at the University of Chicago, but useful contributions have been made by students in other universities, especially those of Kansas and Missouri.

The letter A, in any dictionary, consists chiefly of words abstract in nature, and this is true with Part 1 of the American Dictionary. The largest group of American words denoting things beginning with A are names of plants, trees and animals. Purely American words include *alewife* (a species of herring, not red) and *angle-worm* (the common earthworm). Natural or artificial products also provide a number of names of things. Such words as *alkali*, *anthracite*, *argand* and *arctic* are examples. The editors point out the fact that the apple is extremely important in American life, evidence being such words as *apple-brandy*, *-butter*, *-jacks*, *-pie*, *-sauce* *-toddy*.

Words denoting buildings or parts of buildings have also acquired special American senses, as *aisle*, *annex*, *apartment*, *attic*. *Air-line* is an original American topographical term. The direct influence of the French is seen in many American words designating military and naval terms and places. Administration and politics provides a large number of new terms, in addition to fresh uses of the old, giving a clear indication of the intense interest generally taken in public affairs, especially since 1774. Education words native to America include *advanced standing*, *alumna* and *alumnus*. A number of colloquialisms beginning with A are included, such as *A No. 1*, *awful*, *a-fishing*, *a-sleighing*.

The greater number of words beginning with B included in this section designate things rather than ideas, so the abstract element is less prominent than in the preceding letter. Topographical terms are well represented, particularly through the extensive use of the adjective BACK to designate any part of the country lying behind the early settlements on the coast, such as *back country*, *county*, *lands*, and *backwoods*, *back farmer*, *backwoodsman*. While names of articles and products are limited in number, they include such American words as *baby-carriage*, *baby-house*, *bacon*, *baggage*, *baggage agent*, *car*, *check* and the *like*. The words *back* (n. and v.), *bachelors' ball*, *bad* (adj. and adv.) and *bag* are also interesting, and are mainly American in origin.

The copious illustration of uses of the words, from the earliest record to the present century, is in itself a history in miniature of printing and literature from its inception in the American colonies to the present.

In addition to the editors, our thanks are offered to the General Education Board of New York, the University of Chicago and the American Council of Learned Societies, for these three organizations bore the cost of collecting all the material. The printing of part two will be looked forward to with interest.

M. V.

A Grammar in Popular Style

Commonsense Grammar. By Janet Rankin Aiken. New York, Thomas Y. Crowell, 1936. 341 pages, appendix, index. \$2.00 American currency.

One of the outstanding facts about the English language is that whatever forms you use, a certain proportion of them will be of questionable correctness. But that need not worry the fastidious person, for, says Dr. Aiken:

"Good grammar is not merely grammar which is free from unconventionalities or even from immoralities. It is the triumph of the communicating process, the use of words which create in the reader's mind the thing-as the writer conceived it; it is a creative act, a reproductive animus. Despite all his defects in individual words and phrases this sort of grammar permeates the triumphant art of Shakespeare."

It is such a spirit that gives this grammar a unique flavor and makes it particularly attractive to the non-academic user. Always there is the emphasis upon the growing and developing character of a language. Usage has been working throughout the ages, and the same forces are recognized to be at work today. The "immoralities" of grammar are plainly labelled: disorder, redundancy, omission and ambiguity in general.

The chapter on The Under-Fire Adjective will be a great comfort to many writers and an excellent answer to the puritannical stylists who would blue-pencil most adjective modifiers. Dr. Aiken says it may be reasonably held that the adjective is normally a more important speech element than its noun, in that it defines or gives point and sharpness to what would be otherwise a vague or more general idea.

The exercises and review questions in each chapter are models of what stimulating exercises can be. The informational content of the exercises is a delight in itself. The appendix contains the key to exercises, so one may have the satisfaction of proving himself right or wrong on the puzzlers. Dr. Aiken is with the English departments of Columbia and Brooklyn College.

F. M. R.

Missionary Tales for Children

Missionary Stories to Tell, compiled by the Children's Committee of the Missionary Education Movement. Missionary Education Movement of the United States and Canada; New York.

Down through the ages mothers and teachers have known the value of the story for the child. But modern parents and teachers have made a deeper study of child psychology and are beginning to doubt the value of some of the old fairy stories, however fantastic and beautiful they have impressed the world as being.

The moral issue involved in the average fairy story is usually so over-shadowed by some of the gruesome and awe-inspiring subject matter, it is little wonder a child's simple mind and imagination is captured, often times in a manner which is far from good. The stories in this collection have been compiled not only to acquaint the child with the facts of the modern missionary enterprises but to teach them what it means to be a part of a great fellowship of Christian people. They are presented in a setting of human needs and aspirations which are within the understanding of a child, and cover all parts of the world—America, Egypt, China, Japan, Persia, Korea, India and Africa.

M. P. W.

"Far Eastern Survey" Writer Says Japanese Army's Enormous Expenditures Arouse Disapproval of People

The Japanese Army's enormous expenditures and its attempts to dominate the government have aroused such strong disapproval among the Japanese people that the army is believed to be considering moderating its demands, not only to revive its lost prestige but to stave off responsibility for possible inflation, according to Dr. Elizabeth Boody in an analysis of the repercussions of politics on the yen exchange in the *Far Eastern Survey* of the American Council, Institute of Pacific Relations.

"Finance Minister Yuki has succeeded in restoring a large measure of confidence in the brief period during which the Hayashi cabinet has held office," asserts Dr. Boody of the Harvard-Radcliffe Bureau of International Research. "The Japanese trade outlook is now much more favorable than at any time during 1936, and despite current uncertainties, it would seem that, in consequence of political developments in Japan and of the forces of world recovery, the outlook for the yen is more encouraging at present than it was six months ago."

"However much the Army may want to emphasize national defense, it cannot secure what it wants without the cooperation of financial and industrial interests. More than at any time since the Manchurian Incident the Japanese people are actively questioning a national policy which has isolated Japan diplomatically from the rest of the world and which has provoked stubborn resistance in China."

"It seems likely that the Army will be forced to defer to public opinion in order not to defeat its own aims," it is held, "for in the final analysis, it is the capital exports to Manchukuo, and the large outlay for the Army and Navy, which have made it difficult to maintain the yen exchange during the past year."

CHINA'S POSTAL AND OTHER COMMUNICATIONS SERVICES

By DR. CHU CHIA-HUA
Minister of Communications, 1932-35.

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China Merchants' Stock Exchange ot Increase Capital to \$3,000,000

At an extraordinary shareholders' meeting in Shanghai, June 20, of the Shanghai China Merchants' Stock Exchange Company it was decided to increase the capital holding by \$1,800,000 to a total of \$3,000,000. With the new additional capital, the company, which has been dealing exclusively with domestic Government bonds, also decided to extend its dealings to company shares and debentures. According to Chang Hui-ju, Chairman of the Board, it was also the hope of the Company to deal in foreign currency bonds and loans.

Draft Law Governing Central Reserve Bank Examined

A preliminary examination of the Draft Law governing the Central Reserve Bank was made at a meeting June 19 of the sub-committee of the Finance, Economic and Commercial Law Committees of the Legislative Yuan, consisting of Messrs. Ma Yin-chu, Wu Shang-ying, Chu Tseng-tse, Chen Chang-heng, Wei Ting-sheng, Shih Wei-huan, Yao Chuan-fa, Chou I-chih and Chen Ju-hsuan.

Presided over by Dr. Ma Yin-chu, the convener, the meeting was also attended by Wang Han-tao, Counsellor of the Ministry of Finance; Yang Ching-chun, Section Chief of the Currency Department of the Ministry of Finance; Hsi Te-mou, General Manager of the Banking Department of the Central Bank of China; and Mr. Rogers, Adviser of the Central Bank of China.

The new Bank will have as its object the centralization of the legal reserve funds of the various banks, the development of the financial market, the improvement of the credit system, etc. The Head Office of the Bank will be located at Nanking, with branches throughout the country. The Capital of the Bank is fixed at \$50,000,000, divided into 500,000 shares of \$100 each par value.

Income Tax Administration Urges Foreigners to Pay Tax

Notifications have been sent by the Income Tax Administration in Shanghai to the total of more than 500 firms of those foreign nationalities who enjoy extraterritorial rights in China urging the payment of the income tax, according to Liang Ho-chun of the Income Tax Office in Shanghai.

The co-operation of local consular authorities of these nationalities in instructing their nationals to pay the income tax to the Chinese Government was also urged in official communiques circulated among the foreign consulates-general concerned by the Income Tax Administration.

For extending the income tax obligations of foreigners enjoying consular jurisdiction to the Chinese Government, according to Mr. Liang, the Ministry of Foreign Affairs in Nanking is conducting negotiations with the diplomatic representatives of the various powers concerned.

Central News stated that besides resorting to diplomatic means, the Chinese Government has decided, after lengthy deliberations, upon five measures to bring about an early solution of the problem of collecting income taxes from foreigners resident in China.

This was divulged by Dr. Chu Chi, professor of the Central Political Institute and member of the Income Tax Office of the Ministry of Finance, in an article on "Foreigners and Income Tax" published this week. The five measures as referred to by Dr. Chu are:

(1) Foreigners now serving in Chinese government offices should be required to pay an income tax. Those who refuse to comply with the order should be dismissed. This, according to Dr. Chu, has already been successfully enforced.

(2) Foreigners who purchase Chinese government bonds, corporate debentures, shares of stocks, or place deposits in government or private banks should also be required to pay income tax. This has also been successfully enforced.

(3) Foreign shareholders of business enterprises jointly operated by government and private interests should also be required to pay the income tax before receiving dividends. No difficulty, Dr. Chu stated, is expected to be encountered in enforcing this ruling, as the administration of these enterprises rests mainly in the hands of the government.

(4) Foreigners resident outside of Concessions should also be required to pay the tax for income accruing from profit-making enterprises, salary, remuneration, securities or deposits.

This ruling, Dr. Chu believed, can easily be put into force. He recalled that while the business tax was first introduced, foreigners refused to pay but later promptly came to the fold when the Chinese Government threatened to close down their businesses.

(5) Finally, foreigners resident in the Concessions should also be required to pay the income tax. Those of the 13 countries not enjoying extraterritoriality should be made to pay first, while negotiations should be opened with the 15 countries enjoying extraterritoriality.

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Stock Exchange—Business Done—

Total Volume: 530,000 Shares

1937 High	Low	Div. \$ per sh.	STOCK	Last Sale June 21 June 22	
22 1/2	15	0.55	Adams Express ..	16 1/4	15 1/2
53 1/2	57 1/2	1.95	Allis Chalmers ..	58 1/2	59
121	90 1/2	5.00	American Can ..	93	94 1/4
35 1/2	26 1/2	0.60	Amer. Cyanamid "B" ..	31	31
13 1/2	6 1/4	—	American & For. Power ..	7	7 1/2
68 1/2	47 1/2	—	American & Foreign Pwr. \$7. pfd. ..	48	51
29 1/2	19	0.60	American Radiator ..	19	18 1/2
187	160 1/2	9.00	American Tel. & Tel. ..	163 1/2	164 1/2
99	74 1/2	5.00	American Tobacco "B" ..	77 1/2	77
29 1/2	16	0.80	American Waterworks ..	16 1/4	16 1/2
69 1/2	48 1/2	1.25	Anaconda Copper ..	49 1/4	50
93 1/2	69 1/2	2.00	Atchafson, T. & S. Fe ..	79 1/2	80 1/2
36 1/2	14 1/2	—	Auburn ..	15 1/2	15 1/2
40 1/2	20 1/2	—	Baltimore & Ohio ..	26	26 1/2
105 1/2	78	2.50	Bethlehem Steel ..	80 1/2	81 1/2
49 1/2	28 1/2	—	Boeing Airplane Co. ..	29 1/2	29 1/2
17 1/2	12 1/2	—	Canadian Pacific Railway ..	12 1/2	12 1/2
176 1/2	138	4.00	Case, J. L. ..	164	163 1/2
90 1/2	66	3.00	Chesapeake Corp. ..	70	65
68 1/2	50 1/2	2.80	Chesapeake & Ohio ..	50 1/2	51
135 1/2	100	13.00	Chrysler ..	100 1/2	100 1/2
20 1/2	10 1/2	0.40	Columbia Gas Electric ..	10 1/2	11
21 1/2	13 1/2	0.80	Coml. Solvents ..	13 1/2	13 1/2
4 1/2	2 1/2	—	Commonwealth & Southern, ord. ..	2 1/2	2 1/2
49 1/2	32	2.25	Consolidated Edison ..	32 1/2	32 1/2
17 1/2	14 1/2	0.80	Consolidated Oil ..	15 1/2	15 1/2
47 1/2	40 1/2	1.25	Continental Oil ..	42 1/2	42 1/2
71 1/2	55	3.75	Corn Products ..	60	60
77 1/2	48	—	Douglas Aircraft ..	56 1/4	57
180 1/2	148 1/2	5.95	Du Pont de Nemours ..	153	154
28 1/2	14	—	Electric Bond & Share ..	15	15 1/2
64 1/2	50 1/2	1.65	General Electric ..	52 1/2	52 1/2
44 1/2	36 1/2	2.35	General Foods ..	37 1/2	37 1/2
70 1/2	48 1/2	4.00	General Motors ..	49 1/2	50
65 1/2	42	1.00	General Railway Signal ..	43 1/2	44 1/2
50 1/2	31	1.50	Gold Dust ..	39 1/2	39 1/2
47 1/2	27 1/2	1.00	Goodyear Tire & Rubber ..	38 1/2	37 1/2
87	73 1/2	0.37	Humble Oil ..	73 1/2	74 1/2
73 1/2	55 1/2	1.75	International Nickel ..	57 1/2	56 1/2
15 1/2	9 1/2	—	International Tel. & Tel. ..	10 1/2	10 1/2
69 1/2	51	1.95	Kennecott ..	54 1/2	55 1/2
84 1/2	64 1/2	4.00	Loew's Inc. ..	75 1/2	76
28 1/2	20 1/2	1.50	Lorillard ..	20 1/2	20 1/2
101	85	3.00	Monsanto Chemical ..	85 1/2	86 1/2
69	50 1/2	4.30	Montgomery Ward ..	53 1/2	54 1/2
33 1/2	24	0.72	Nat. Bond Investment ..	25 1/2	24 1/2
26 1/2	21	1.20	National Dairy Prods. ..	21 1/2	21
35	27 1/2	2.75	National Distillers ..	28 1/2	29
14 1/2	8 1/2	0.60	National Power & Lt. ..	9 1/4	9 1/4
55 1/2	37 1/2	—	New York Central ..	37 1/2	38
34 1/2	21 1/2	1.30	North American ..	23	22 1/2
38	28 1/2	1.75	Pacific Gas & Electric ..	28 1/2	28 1/2
53 1/2	40 1/2	3.00	Pacific Lighting ..	40 1/2	41
12 1/2	8	0.50	Packard Motors ..	8 1/4	8 1/2
50 1/2	37	1.00	Pennsylvania Railroad ..	37	37
59 1/2	49 1/2	2.75	Phillips Petroleum ..	53 1/2	53 1/2
52 1/2	37	2.65	Public Serv. of N. J. ..	38	38 1/2
12 1/2	8	—	Radio Corporation of Amer. ..	8	8
58	49	3.00	Reynolds Tobacco "B" ..	49 1/2	49 1/2
51 1/2	39 1/2	4.50	Schenley ..	39 1/2	40
95 1/2	81	6.75	Sears Roebuck ..	87 1/2	87 1/2
20 1/2	16 1/2	0.75	Socony-Vacuum ..	19 1/2	19
32 1/2	23 1/2	1.50	Southern California Edison ..	23 1/2	23 1/2
65 1/2	42 1/2	—	Southern Pacific ..	45 1/2	45
16 1/2	12	1.05	Standard Brands ..	12	12 1/2
14 1/2	5 1/2	—	Standard Gas & Electric ..	6 1/2	6 1/2
76	63 1/2	2.50	Standard Oil Co. of N. J. ..	65 1/2	66
75	63 1/2	4.10	Sterling Products ..	63 1/2	64 1/2
44	34 1/2	2.50	Texas Gulf Sulphur ..	34 1/2	34 1/2
17 1/2	12 1/2	0.45	Transamerica ..	12 1/2	13
111	95	2.90	Union Carbide & Carbon ..	98	98
148 1/2	126 1/2	6.00	Union Pacific ..	129	129 1/2
35 1/2	24 1/2	0.50	United Aircraft (New) ..	25 1/2	25 1/2
24 1/2	14 1/2	0.20	United Airline Trans. ..	15 1/2	15 1/2
13 1/2	4	—	United Corporation ..	4 1/2	4 1/2
17	11 1/2	1.00	United Gas Improvement ..	12	12 1/2
43 1/2	28 1/2	—	U. S. Indus. Alcohol ..	29 1/2	29 1/2
72 1/2	44 1/2	—	U. S. Rubber ..	55 1/2	55 1/2
126 1/2	75	—	U. S. Steel ..	95 1/2	95 1/2
39 1/2	24 1/2	—	Vanadium ..	25 1/2	25 1/2
18	12 1/2	—	Warner Bros. Pictures ..	12 1/2	12 1/2
167 1/2	130 1/2	6.00	Westinghouse Electric ..	133	139 1/2

Call Money: 1 %

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